

# 6148 AZION CORPORATION

## 2020Q1 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2020/3/31	2019/12/31	2019/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	218,152	253,238	289,999
1110	Current financial assets at fair value through profit or loss	10,000	9,935	0
1120	Current financial assets at fair value through other comprehensive income	0	0	0
1136	Current financial assets at amortised cost	64,418	76,082	66,742
1140	Current contract assets	0	0	0
1150	Notes receivable, net	2,583	3,012	0
1160	Notes receivable due from related parties, net	0	0	0
1170	Accounts receivable, net	168,169	85,221	56,754
1172	Accounts receivable	168,169	85,221	56,754
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	371	905	558
1181	Accounts receivable due from related parties	371	905	558
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	115,257	126,253	135,679
1200	Other receivables	642	724	848
1201	Tax refund receivable	0	0	0
1206	Other non-operating receivables, others	0	0	0
1210	Other receivables due from related parties	166	166	166
1220	Current tax assets	102	102	132
130X	Current inventories	44,252	115,055	31,244
1300	Inventories, merchandising business	44,252	115,055	31,244
1301	Merchandise inventory	44,252	115,055	31,244
1400	Current biological assets	0	0	0
1410	Prepayments	16,676	17,768	141,834
1450	Non-current assets or disposal groups classified as held for distribution to owners	0	0	0
1460	Non-current assets or disposal groups classified as held for sale, net	0	0	0
1470	Other current assets	4,526	5,975	2,341
1476	Other current financial assets	0	0	0
1479	Other current assets, others	4,526	5,975	2,341
11XX	Total current assets	645,314	694,436	726,297
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	17,102	16,694	16,332
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	1,804	1,390	1,523
1615	Machinery and equipment, net	0	0	0
1616	Machinery and equipment, cost	0	0	0
1618	Accumulated depreciation, machinery and equipment	(0)	(0)	(0)
1619	Accumulated impairment, machinery and equipment	(0)	(0)	(0)
1655	Computer and telecommunication equipment, net	1,398	867	841
1656	Computer and telecommunication equipment, cost	8,815	8,139	7,644
1658	Accumulated depreciation, computer and telecommunication equipment	(7,417)	(7,272)	(6,803)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	240	331	581
1661	Testing equipment, cost	4,604	4,604	4,410
1663	Accumulated depreciation, testing equipment	(4,364)	(4,273)	(3,829)
1664	Accumulated impairment, testing equipment	(0)	(0)	(0)
1670	Transportation equipment, net	0	0	0
1671	Transportation equipment, cost	0	0	0
1673	Accumulated depreciation, transportation equipment	(0)	(0)	(0)
1674	Accumulated impairment, transportation equipment	(0)	(0)	(0)
1690	Office equipment, net	0	0	0
1691	Office equipment, cost	319	319	319
1693	Accumulated depreciation, office equipment	(319)	(319)	(319)
1694	Accumulated impairment, office equipment	(0)	(0)	(0)
1730	Leasehold improvements, net	0	0	0
1731	Leasehold improvements, cost	0	0	0
1733	Accumulated depreciation, leasehold improvements	(0)	(0)	(0)
1735	Other facilities, net	166	192	101
1736	Other facilities, cost	18,108	18,288	22,553
1738	Accumulated depreciation, other facilities	(17,942)	(18,096)	(22,452)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	28,823	28,634	32,756
1760	Investment property, net	0	0	0
1780	Intangible assets	979	1,168	946
1805	Goodwill	0	0	0
1821	Other intangible assets, net	979	1,168	946
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	5,122	5,952	4,684
1900	Other non-current assets	197,031	224,391	295,901
1915	Prepayments for business facilities	0	0	585
1920	Guarantee deposits paid	36,341	39,695	19,494
1930	Long-term notes and accounts receivable	0	0	0
1935	Long-term lease payments receivable	0	0	0
194D	Long-term finance lease receivable, net	155,509	179,525	270,769
1975	Net defined benefit asset, non-current	5,181	5,171	5,053
1980	Other non-current financial assets	0	0	0
1985	Long-term Lease Prepayments	0	0	0
1990	Other non-current assets, others	0	0	0
15XX	Total non-current assets	250,861	278,229	352,142
1XXX	Total assets	896,175	972,665	1,078,439
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	73,240	87,071	0
2130	Current contract liabilities	30,585	35,399	198,097
2150	Notes payable	26	21,567	26
2170	Accounts payable	29,259	28,639	19,585
2180	Accounts payable to related parties	1,592	3,286	3,544
2190	Construction contracts payable	0	0	0

2200	Other payables	30,366	46,257	34,840
2219	Other payables, others	30,366	46,257	34,840
2220	Other payables to related parties	575	650	1,241
2230	Current tax liabilities	3,372	2,078	9,004
2250	Current provisions	40,063	43,188	41,180
2265	Progress billings	0	0	0
2280	Current lease liabilities	9,595	8,864	8,351
2300	Other current liabilities	68,568	75,164	91,004
2320	Long-term liabilities, current portion	67,861	74,521	88,782
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	707	643	2,222
21XX	Total current liabilities	287,241	352,163	406,872
	Non-current liabilities			
2500	Non-current financial liabilities at fair value through profit or loss	0	0	0
2520	Non-current financial liabilities at amortised cost	0	0	0
2530	Bonds payable	0	0	0
2540	Non-current portion of non-current borrowings	72,994	88,264	78,256
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,243	1,267	1,265
2580	Non-current lease liabilities	22,042	22,972	28,691
2600	Other non-current liabilities	11,397	11,708	50,108
2610	Long-term notes and accounts payable	0	0	0
2613	Non-current lease obligations payable	0	0	0
2640	Net defined benefit liability, non-current	0	0	0
2645	Guarantee deposits received	11,397	11,708	50,108
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	107,676	124,211	158,320
2XXX	Total liabilities	394,917	476,374	565,192
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	470,000	470,000	470,000
3120	Preference share	0	0	0
3150	Stock dividend to be distributed	0	0	0
3100	Total capital stock	470,000	470,000	470,000
	Capital surplus			
3200	Total capital surplus	145	145	145
	Retained earnings			
3310	Legal reserve	5,033	5,033	0
3350	Unappropriated retained earnings (accumulated deficit)	39,707	34,740	56,729
3300	Total retained earnings	44,740	39,773	56,729
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	0	0	0
3490	Other equity, others	0	0	0
3400	Total other equity interest	0	0	0
3500	Treasury shares	(13,627)	(13,627)	(13,627)
31XX	Total equity attributable to owners of parent	501,258	496,291	513,247
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	501,258	496,291	513,247

3X2X	Total liabilities and equity	896,175	972,665	1,078,439
3997	Number of share capital awaiting retirement	0	0	0
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	1,396,243	1,396,243	1,396,243

Unit: NT\$ thousands EPS Unit: NT\$

Statement of Comprehensive Income				
Code	Accounting Title	2020/1/1To3/31	2019/1/1To3/31	
	Operating revenue			
	Net sales revenue			
4100	Net sales revenue	119,992	13,941	
	Rental revenue			
4300	Total rental revenue	28	28	
	Construction and engineering revenue			
4500	Total construction and engineering revenue	0	0	
	Service revenue			
4600	Total service revenue	33,365	30,977	
	Other operating revenue			
4800	Other operating revenue, net	5,984	8,517	
4000	Total operating revenue	159,369	53,463	
	Operating costs			
	Cost of sales			
5110	Total cost of sales	100,102	13,805	
	Cost of rental sales			
5300	Total cost of rental sales	8	0	
	Cost of services			
5600	Total cost of services	32,173	23,830	
5800	Other operating costs	693	848	
5000	Total operating costs	132,976	38,483	
5900	Gross profit (loss) from operations	26,393	14,980	
5910	Unrealized profit (loss) from sales	0	0	
5920	Realized profit (loss) on from sales	0	0	
5950	Gross profit (loss) from operations	26,393	14,980	
	Operating expenses			
6100	Selling expenses	8,634	9,350	
6200	Administrative expenses	9,709	8,579	
6300	Research and development expenses	1,424	1,505	
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	0	(1,106)	
6000	Total operating expenses	19,767	18,328	
6900	Net operating income (loss)	6,626	(3,348)	
	Non-operating income and expenses			
	Other income			
7010	Total other income	515	1,735	
	Other gains and losses			
7210	Gains on disposals of property, plant and equipment	0	0	
7230	Foreign exchange gains	77	411	
7235	Gains on financial assets (liabilities) at fair value through profit or loss	473	265	
7590	Miscellaneous disbursements	0	0	
7610	Losses on disposals of property, plant and equipment	0	0	
7670	Impairment loss	0	0	
7673	Impairment loss recognised in profit or loss, property, plant and equipment	0	0	

7020	Other gains and losses, net	550	676
	Gains (losses) arising from derecognition of financial assets measured at amortised cost		
7030	Gains (losses) arising from derecognition of financial assets measured at amortised cost	0	0
	Finance costs		
7510	Interest expense	624	505
7050	Finance costs, net	624	505
	Share of profit (loss) of associates and joint ventures accounted for using equity method		
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	0	0
7000	Total non-operating income and expenses	441	1,906
7900	Profit (loss) from continuing operations before tax	7,067	(1,442)
	Tax expense (income)		
7950	Total tax expense (income)	2,100	(265)
8000	Profit (loss) from continuing operations	4,967	(1,177)
	Profit (loss) from discontinued operations		
8100	Total profit (loss) from discontinued operations	0	0
8200	Profit (loss)	4,967	(1,177)
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	0	0
8325	Equity related to non-current assets or disposal groups classified as held for distribution to owners that will not be reclassified to profit or loss, associates and joint ventures accounted for using equity method	0	0
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	0
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	0
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	0	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0
8360	Components of other comprehensive income that will be reclassified to profit or loss	0	0
8300	Other comprehensive income, net	0	0
8500	Total comprehensive income	4,967	(1,177)
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	4,967	(1,177)
8620	Profit (loss), attributable to non-controlling interests	0	0
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	4,967	(1,177)
8720	Comprehensive income, attributable to non-controlling interests	0	0
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	0.11	(0.03)
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00
9750	Total basic earnings per share	0.11	(0.03)
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	0.11	(0.03)
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00
9850	Total diluted earnings per share	0.11	(0.03)

Unit: NT\$ thousands

Statements of Cash Flows			
Code	Accounting Title	2020/1/1To3/31	2019/1/1To3/31
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	7,067	(1,442)
A00020	Profit (loss) from discontinued operations before tax	0	0

A10000	Profit (loss) before tax	7,067	(1,442)
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	2,172	1,540
A20200	Amortization expense	189	138
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	0	(1,106)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(473)	(265)
A20900	Interest expense	624	505
A21200	Interest income	(88)	(596)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	0	0
A22500	Loss (gain) on disposal of property, plan and equipment	0	0
A23700	Impairment loss on non-financial assets	0	0
A23800	Reversal of impairment loss on non-financial assets	(2,291)	0
A24100	Unrealized foreign exchange loss (gain)	(574)	(1,387)
A29900	Other adjustments to reconcile profit (loss)	(10)	(13)
A20010	Total adjustments to reconcile profit (loss)	(451)	(1,184)
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	429	983
A31150	Decrease (increase) in accounts receivable	(80,985)	353,417
A31160	Decrease (increase) in accounts receivable due from related parties	534	476
A31180	Decrease (increase) in other receivable	104	(4)
A31190	Decrease (increase) in other receivable due from related parties	0	0
A31200	Decrease (increase) in inventories	73,094	(3,081)
A31230	Decrease (increase) in prepayments	4,233	(33,552)
A31240	Decrease (increase) in other current assets	1,449	(580)
A31000	Total changes in operating assets	(1,142)	317,659
	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(6,777)	(4,470)
A32130	Increase (decrease) in notes payable	(21,541)	(211)
A32150	Increase (decrease) in accounts payable	(2,526)	(124,054)
A32160	Increase (decrease) in accounts payable to related parties	(1,694)	(4,304)
A32180	Increase (decrease) in other payable	(16,062)	(23,902)
A32190	Increase (decrease) in other payable to related parties	(75)	490
A32200	Increase (decrease) in provisions	(3,125)	(4,815)
A32230	Increase (decrease) in other current liabilities	64	(83)
A32250	Increase (decrease) in deferred credits	0	0
A32000	Total changes in operating liabilities	(51,736)	(161,349)
A30000	Total changes in operating assets and liabilities	(52,878)	156,310
A20000	Total adjustments	(53,329)	155,126
A33000	Cash inflow (outflow) generated from operations	(46,262)	153,684
A33300	Interest paid	(454)	(1,108)
A33500	Income taxes refund (paid)	0	(57)
AAAA	Net cash flows from (used in) operating activities	(46,716)	152,519
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	11,664	29,575
B01800	Acquisition of investments accounted for using equity method	0	0
B02300	Proceeds from disposal of subsidiaries	0	0
B02700	Acquisition of property, plant and equipment	(721)	(110)

B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	0	0
B03800	Decrease in refundable deposits	3,354	11,625
B04500	Acquisition of intangible assets	0	(585)
B06000	Increase in long-term lease and installment receivables	35,012	0
B06100	Decrease in long-term lease and installment receivables	0	(34,388)
B07500	Interest received	66	595
B07600	Dividends received	0	3,000
BBBB	Net cash flows from (used in) investing activities	49,375	9,712
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	0
C00200	Decrease in short-term loans	(13,522)	(177,367)
C01600	Proceeds from long-term debt	0	37,610
C01700	Repayments of long-term debt	(21,930)	(18,610)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(311)	(116)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(2,253)	(1,618)
C04700	Capital reduction payments to shareholders	0	(197,195)
C04900	Payments to acquire treasury shares	0	12
CCCC	Net cash flows from (used in) financing activities	(38,016)	(357,284)
DDDD	Effect of exchange rate changes on cash and cash equivalents	271	1,387
EEEE	Net increase (decrease) in cash and cash equivalents	(35,086)	(193,666)
E00100	Cash and cash equivalents at beginning of period	253,238	483,665
E00200	Cash and cash equivalents at end of period	218,152	289,999
E00210	Cash and cash equivalents reported in the statement of financial position	218,152	289,999

Unit: NT\$ thousands

		Statements of Change in Equity										
		3110	3100	3200	3310	3320	3350	3300	3410	3400	3500	31XX
		Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent
A1	Equity at beginning of period	470,000	470,000	145	5,033	0	34,740	39,773	0	0	(13,627)	496,291
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	0	0	0	0	0	0
A4	Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control	0	0	0	0		0	0			0	0
A5	Equity at beginning of period after adjustments	470,000	470,000	145	5,033	0	34,740	39,773	0	0	(13,627)	496,291
D1	Profit (loss)						4,967	4,967	0	0		4,967

D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						4,967	4,967	0	0		4,967
L1	Purchase of treasury shares								0	0	0	0
L3	Retirement of treasury share	0	0	0			0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	0	0	4,967	4,967	0	0	0	4,967
Z1	Equity at end of period	470,000	470,000	145	5,033	0	39,707	44,740	0	0	(13,627)	501,258

Unit: NT\$ thousands

Last year's Statements of Change in Equity												
		3110	3100	3200	3310	3320	3350	3300	3410	3400	3500	31XX
		Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent
A1	Equity at beginning of period	470,000	470,000	0	0	0	57,906	57,906	0	0	(19,534)	508,372
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	0	0	0	0	0	0
A5	Equity at beginning of period after adjustments	470,000	470,000	0	0	0	57,906	57,906	0	0	(19,534)	508,372
D1	Profit (loss)						(1,177)	(1,177)	0	0		(1,177)
D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						(1,177)	(1,177)	0	0		(1,177)
L1	Purchase of treasury shares								0	0	12	12
L3	Retirement of treasury share	0	0	145			0	0	0	0	5,895	6,040
Y1	Total increase (decrease) in equity	0	0	145	0	0	(1,177)	(1,177)	0	0	5,907	4,875
Z1	Equity at end of period	470,000	470,000	145	0	0	56,729	56,729	0	0	(13,627)	513,247