

# 6148 AZION CORPORATION

## 2020Q3 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2020/9/30	2019/12/31	2019/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	306,730	253,238	264,642
1110	Current financial assets at fair value through profit or loss	0	9,935	0
1120	Current financial assets at fair value through other comprehensive income	0	0	0
1136	Current financial assets at amortised cost	83,603	76,082	62,128
1140	Current contract assets	0	0	0
1150	Notes receivable, net	324	3,012	0
1160	Notes receivable due from related parties, net	0	0	1,000
1170	Accounts receivable, net	235,113	85,221	256,387
1172	Accounts receivable	235,113	85,221	256,387
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	318	905	1,203
1181	Accounts receivable due from related parties	318	905	1,203
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	122,357	126,253	132,795
1200	Other receivables	618	724	618
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	242	102	90
130X	Current inventories	54,780	115,055	55,691
1300	Inventories, merchandising business	54,780	115,055	55,691
1301	Merchandise inventory	54,780	115,055	55,691
1400	Current biological assets	0	0	0
1410	Prepayments	32,113	17,768	16,707
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	3,112	5,975	4,076
1476	Other current financial assets	0	0	0
1479	Other current assets, others	3,112	5,975	4,076
11XX	Total current assets	839,476	694,436	795,503
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	16,731	16,694	16,544
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	2,037	1,390	1,591
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	1,590	867	909
1656	Computer and telecommunication equipment, cost	9,277	8,139	8,010
1658	Accumulated depreciation, computer and telecommunication equipment	(7,687)	(7,272)	(7,101)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	158	331	465
1661	Testing equipment, cost	4,604	4,604	4,604
1663	Accumulated depreciation, testing equipment	(4,446)	(4,273)	(4,139)
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	83	0	0
1691	Office equipment, cost	417	319	319
1693	Accumulated depreciation, office equipment	(334)	(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	206	192	217
1736	Other facilities, cost	18,201	18,288	22,722
1738	Accumulated depreciation, other facilities	(17,995)	(18,096)	(22,505)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	24,863	28,634	29,316
1760	Investment property, net	0	0	0
1780	Intangible assets	823	1,168	672
1805	Goodwill	0	0	0
1821	Other intangible assets, net	823	1,168	672
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	6,627	5,952	5,902
1900	Other non-current assets	229,553	224,391	243,335
1915	Prepayments for business facilities	0	0	585
1920	Guarantee deposits paid	28,388	39,695	30,417
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	195,965	179,525	207,255
1975	Net defined benefit asset, non-current	5,200	5,171	5,078
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	280,634	278,229	297,360
1XXX	Total assets	1,120,110	972,665	1,092,863
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	45,000	87,071	35,500
2130	Current contract liabilities	34,426	35,399	37,818
2150	Notes payable	14,529	21,567	236
2170	Accounts payable	107,772	28,639	217,694
2180	Accounts payable to related parties	1,842	3,286	2,741
2190	Construction contracts payable	0	0	0

2200	Other payables	50,936	46,257	30,498
2219	Other payables, others	50,936	46,257	30,498
2220	Other payables to related parties	486	650	727
2230	Current tax liabilities	5,244	2,078	4,022
2250	Current provisions	57,605	43,188	41,741
2265	Progress billings	0	0	0
2280	Current lease liabilities	9,367	8,864	8,460
2300	Other current liabilities	94,529	75,164	79,460
2320	Long-term liabilities, current portion	90,990	74,521	76,409
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	3,539	643	3,051
21XX	Total current liabilities	421,736	352,163	458,897
	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	154,894	88,264	73,738
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,074	1,267	1,089
2580	Non-current lease liabilities	17,503	22,972	24,434
2600	Other non-current liabilities	11,253	11,708	50,029
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	11,253	11,708	50,029
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	184,724	124,211	149,290
2XXX	Total liabilities	606,460	476,374	608,187
	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 Share Capital	470,000	470,000	470,000
	Capital surplus			
3200	Total capital surplus	145	145	145
	Retained earnings			
3310	Legal reserve	7,779	5,033	5,033
3350	Unappropriated retained earnings (accumulated deficit)	58,358	34,740	23,125
3300	Total retained earnings	66,137	39,773	28,158
	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	(22,632)	(13,627)	(13,627)
31XX	Total equity attributable to owners of parent	513,650	496,291	484,676
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	513,650	496,291	484,676

3X2X	Total liabilities and equity	1,120,110	972,665	1,092,863
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	2,346,243	1,396,243	1,396,243

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

Statement of Comprehensive Income					
Code	Accounting Title	2020/7/1To9/30	2019/7/1To9/30	2020/1/1To9/30	2019/1/1To9/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	204,470	86,206	396,666	201,330
	Rental revenue				
4300	Total rental revenue	37	37	84	84
	Construction and engineering revenue				
4500	Total construction and engineering revenue	0	0	0	0
	Service revenue				
4650	Technical service revenue	77,440	40,899	210,382	357,128
4600	Total service revenue	77,440	40,899	210,382	357,128
	Other operating revenue				
4800	Other operating revenue, net	5,357	7,436	17,054	24,091
4000	Total operating revenue	287,304	134,578	624,186	582,633
	Operating costs				
	Cost of sales				
5110	Total cost of sales	169,705	74,878	336,093	179,442
	Cost of rental sales				
5300	Total cost of rental sales	0	0	10	0
	Cost of construction and engineering service sales				
5520	Cost of engineering sales	0	0	0	0
5500	Total cost of construction and engineering service sales	0	0	0	0
	Cost of services				
5650	Costs to provide technical services	65,476	37,437	169,960	333,569
5600	Total cost of services	65,476	37,437	169,960	333,569
5800	Other operating costs	558	666	1,735	2,167
5000	Total operating costs	235,739	112,981	507,798	515,178
5900	Gross profit (loss) from operations	51,565	21,597	116,388	67,455
5950	Gross profit (loss) from operations	51,565	21,597	116,388	67,455
	Operating expenses				
6100	Selling expenses	9,866	9,879	27,360	29,603
6200	Administrative expenses	28,640	2,188	49,599	18,604
6300	Research and development expenses	1,510	1,736	4,244	4,904
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(505)	5,325	(505)	4,322
6000	Total operating expenses	39,511	19,128	80,698	57,433
6900	Net operating income (loss)	12,054	2,469	35,690	10,022
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	40	44	318	854
	Other income				
7010	Total other income	11,013	5,482	14,346	7,152
	Other gains and losses				
7020	Other gains and losses, net	329	29	383	990

	Finance costs				
7050	Finance costs, net	416	332	1,465	1,146
	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	0	0
7000	Total non-operating income and expenses	10,966	5,223	13,582	7,850
7900	Profit (loss) from continuing operations before tax	23,020	7,692	49,272	17,872
	Tax expense (income)				
7950	Total tax expense (income)	2,334	51	8,808	2,030
8000	Profit (loss) from continuing operations	20,686	7,641	40,464	15,842
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	0	0	0
8200	Profit (loss)	20,686	7,641	40,464	15,842
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	0	0	0	0
8312	Gains (losses) on revaluation	0	0	0	0
8313	Change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
8314	Equity related to non-current assets or disposal groups classified as held for sale that will not be reclassified to profit or loss	0	0	0	0
8315	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	0	0	0	0
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	0	0	0	0
8317	Gains (losses) on hedging instrument that will not be reclassified to profit or loss	0	0	0	0
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	0	0
8341	Other components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	0	0	0	0
8365	Equity related to non-current assets or disposal groups classified as held for sale	0	0	0	0
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8391	Other components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8360	Components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8300	Total other comprehensive income	0	0	0	0
8500	Total comprehensive income	20,686	7,641	40,464	15,842
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	20,686	7,641	40,464	15,842
8620	Profit (loss), attributable to non-controlling interests	0	0	0	0
	Comprehensive income attributable to:				
8710		20,686	7,641	40,464	15,842

	Comprehensive income, attributable to owners of parent				
8720	Comprehensive income, attributable to non-controlling interests	0	0	0	0
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.46	0.17	0.90	0.35
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9750	Total basic earnings per share	0.46	0.17	0.90	0.35
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.45	0.17	0.89	0.35
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9850	Total diluted earnings per share	0.45	0.17	0.89	0.35

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2020/1/1To9/30	2019/1/1To9/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	49,272	17,872	
A00020	Profit (loss) from discontinued operations before tax	0	0	
A10000	Profit (loss) before tax	49,272	17,872	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	6,799	5,711	
A20200	Amortization expense	575	412	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(505)	4,322	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(102)	(477)	
A20900	Interest expense	1,465	1,146	
A21200	Interest income	(318)	(854)	
A21300	Dividend income	(2,000)	(1,000)	
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	(8)	
A22900	Loss (gain) on disposal of other assets	0	0	
A23100	Loss (gain) on disposal of investments	0	0	
A23200	Loss (gain) on disposal of investments accounted for using equity method	0	0	
A23700	Impairment loss on non-financial assets	(1,844)	678	
A23800	Reversal of impairment loss on non-financial assets	0	0	
A24100	Unrealized foreign exchange loss (gain)	512	(486)	
A29900	Other adjustments to reconcile profit (loss)	(29)	(38)	
A20010	Total adjustments to reconcile profit (loss)	4,553	9,406	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31130	Decrease (increase) in notes receivable	2,688	983	
A31150	Decrease (increase) in accounts receivable	(135,050)	139,388	
A31160	Decrease (increase) in accounts receivable due from related parties	587	(169)	
A31180	Decrease (increase) in other receivable	106	10	
A31190	Decrease (increase) in other receivable due from related parties	0	0	
A31200	Adjustments for decrease (increase) in inventories	62,229	(28,206)	
A31230	Decrease (increase) in prepayments	(7,557)	91,735	
A31240	Adjustments for decrease (increase) in other current assets	2,863	(2,315)	
A31000	Total changes in operating assets	(74,134)	201,426	
	Changes in operating liabilities			
A32125	Increase (decrease) in contract liabilities	(15,310)	(155,781)	

A32130	Increase (decrease) in notes payable	(7,038)	(1)
A32150	Increase (decrease) in accounts payable	72,605	74,097
A32160	Increase (decrease) in accounts payable to related parties	(1,444)	(5,107)
A32180	Increase (decrease) in other payable	4,673	(28,242)
A32190	Increase (decrease) in other payable to related parties	(164)	(24)
A32200	Increase (decrease) in provisions	14,417	(4,254)
A32230	Adjustments for increase (decrease) in other current liabilities	2,896	746
A32250	Increase (decrease) in deferred credits	0	0
A32000	Total changes in operating liabilities	70,635	(118,566)
A30000	Total changes in operating assets and liabilities	(3,499)	82,860
A20000	Total adjustments	1,054	92,266
A33000	Cash inflow (outflow) generated from operations	50,326	110,138
A33100	Interest received	318	1,069
A33300	Interest paid	(1,458)	(1,751)
A33500	Income taxes refund (paid)	(6,650)	(8,686)
AAAA	Net cash flows from (used in) operating activities	42,536	100,770
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	(7,521)	34,189
B00100	Acquisition of financial assets at fair value through profit or loss	10,000	0
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	0	0
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	(1,731)	(920)
B02800	Proceeds from disposal of property, plant and equipment	0	19
B03700	Increase in refundable deposits	0	0
B03800	Decrease in refundable deposits	11,307	702
B04500	Acquisition of intangible assets	(230)	(585)
B06000	Increase in long-term lease and installment receivables	(12,544)	0
B06100	Decrease in long-term lease and installment receivables	0	32,010
B07500	Interest received	0	0
B07600	Dividends received	2,000	3,000
BBBB	Net cash flows from (used in) investing activities	1,281	68,415
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	0
C00200	Decrease in short-term loans	(42,071)	(141,867)
C01600	Proceeds from long-term debt	142,350	70,000
C01700	Repayments of long-term debt	(59,251)	(67,891)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(455)	(195)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(7,020)	(5,766)
C04500	Cash dividends paid	(14,100)	(45,590)
C04700	Capital reduction payments to shareholders	0	(197,195)
C04900	Payments to acquire treasury shares	(9,005)	12
CCCC	Net cash flows from (used in) financing activities	10,448	(388,492)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(773)	284
EEEE	Net increase (decrease) in cash and cash equivalents	53,492	(219,023)
E00100	Cash and cash equivalents at beginning of period	253,238	483,665
E00200	Cash and cash equivalents at end of period	306,730	264,642
E00210	Cash and cash equivalents reported in the statement of financial position	306,730	264,642

Unit: NT\$ thousands

Statements of Change in Equity		3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal 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	0	470,000	145	5,033	34,740	39,773	0	0	(13,627)	496,29
A3	Effects of retrospective application and retrospective restatement	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	0	0	
A5	Equity at beginning of period after adjustments	470,000	0	470,000	145	5,033	34,740	39,773	0	0	(13,627)	496,29
B1	Legal reserve appropriated					2,746	(2,746)	0				
B5	Cash dividends of ordinary share					0	(14,100)	(14,100)				(14,100)
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				
C11	Capital surplus used to offset accumulated deficits				0		0	0				
D1	Profit (loss)						40,464	40,464				40,464
D3	Other comprehensive income						0	0	0	0		
D5	Total comprehensive income						40,464	40,464	0	0		40,464
L1	Purchase of treasury shares										(9,005)	(9,005)
L3	Retirement of treasury share	0		0	0		0	0			0	
T1	Others	0	0	0	0	0	0	0	0	0	0	
Y1	Total increase (decrease) in equity	0	0	0	0	2,746	23,618	26,364	0	0	(9,005)	17,359
Z1	Equity at end of period	470,000	0	470,000	145	7,779	58,358	66,137	0	0	(22,632)	513,650

Unit: NT\$ thousands

## Last year's Statements of Change in Equity



		3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal 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	0	470,000	0	0	57,906	57,906	0	0	(19,534)	508,370
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	0	0	0
A5	Equity at beginning of period after adjustments	470,000	0	470,000	0	0	57,906	57,906	0	0	(19,534)	508,370
B1	Legal reserve appropriated					5,033	(5,033)	0				0
B5	Cash dividends of ordinary share					0	(45,590)	(45,590)				(45,590)
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				0
C11	Capital surplus used to offset accumulated deficits				0		0	0				0
D1	Profit (loss)						15,842	15,842				15,842
D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						15,842	15,842	0	0		15,842
L1	Purchase of treasury shares										12	(12)
L3	Retirement of treasury share	0		0	145		0	0			5,895	6,040
T1	Others	0	0	0	0	0	0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	145	5,033	(34,781)	(29,748)	0	0	5,907	(23,696)
Z1	Equity at end of period	470,000	0	470,000	145	5,033	23,125	28,158	0	0	(13,627)	484,670