

6148 AZION CORPORATION

2021Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2021/6/30	2020/12/31	2020/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	362,922	289,188	263,478
1110	Current financial assets at fair value through profit or loss	0	0	0
1120	Current financial assets at fair value through other comprehensive income	0	0	0
1136	Current financial assets at amortised cost	66,341	65,658	64,521
1140	Current contract assets	0	0	0
1150	Notes receivable, net	911	324	324
1160	Notes receivable due from related parties, net	0	0	0
1170	Accounts receivable, net	82,728	52,399	122,386
1172	Accounts receivable	82,728	52,399	122,386
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	366	1,067	635
1181	Accounts receivable due from related parties	366	1,067	635
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	140,378	143,203	130,408
1200	Other receivables	724	720	627
1201	Tax refund receivable	0	0	0
1206	Other non-operating receivables, others	0	0	0
1210	Other receivables due from related parties	63	63	166
1220	Current tax assets	0	0	0
130X	Current inventories	64,315	66,730	32,141
1300	Inventories, merchandising business	64,315	66,730	32,141
1301	Merchandise inventory	64,315	66,730	32,141
1400	Current biological assets	0	0	0
1410	Prepayments	15,605	25,067	18,625
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	5,157	1,018	734
1476	Other current financial assets	0	0	0
1479	Other current assets, others	5,157	1,018	734
11XX	Total current assets	739,510	645,437	634,045
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	17,816	16,598	17,281
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	3,338	2,182	2,368
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	3,076	1,797	1,853
1656	Computer and telecommunication equipment, cost	11,622	9,709	9,277
1658	Accumulated depreciation, computer and telecommunication equipment	(8,546)	(7,912)	(7,424)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	82	133	191
1661	Testing equipment, cost	4,503	4,604	4,604
1663	Accumulated depreciation, testing equipment	(4,421)	(4,471)	(4,413)
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	56	74	92
1691	Office equipment, cost	417	417	417
1693	Accumulated depreciation, office equipment	(361)	(343)	(325)
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	124	178	232
1736	Other facilities, cost	18,201	18,201	18,201
1738	Accumulated depreciation, other facilities	(18,077)	(18,023)	(17,969)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	28,422	22,883	26,843
1760	Investment property, net	0	0	0
1780	Intangible assets	543	654	1,014
1805	Goodwill	0	0	0
1821	Other intangible assets, net	543	654	1,014
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	9,812	8,092	7,023
1900	Other non-current assets	266,534	300,239	266,526
1915	Prepayments for business facilities	0	0	0
1920	Guarantee deposits paid	39,858	29,542	35,668
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	221,395	265,426	225,668
1975	Net defined benefit asset, non-current	5,281	5,271	5,190
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	326,465	350,648	321,055
1XXX	Total assets	1,065,975	996,085	955,100
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	26,275	13,573	70,000
2130	Current contract liabilities	14,692	41,077	32,048
2150	Notes payable	89	489	166
2170	Accounts payable	38,670	28,767	80,223
2180	Accounts payable to related parties	1,112	6,775	8,992
2190	Construction contracts payable	0	0	0

2200	Other payables	52,993	64,715	51,062
2219	Other payables, others	52,993	64,715	51,062
2220	Other payables to related parties	821	386	336
2230	Current tax liabilities	2,942	9,443	6,844
2250	Current provisions	63,448	57,603	50,794
2265	Progress billings	0	0	0
2280	Current lease liabilities	11,555	8,900	9,656
2300	Other current liabilities	99,101	88,085	62,126
2320	Long-term liabilities, current portion	97,648	87,385	61,081
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	1,453	700	1,045
21XX	Total current liabilities	311,698	319,813	372,247
	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	223,142	135,320	57,723
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,305	1,061	1,164
2580	Non-current lease liabilities	17,552	15,564	19,605
2600	Other non-current liabilities	873	1,275	11,397
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	873	1,275	11,397
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	242,872	153,220	89,889
2XXX	Total liabilities	554,570	473,033	462,136
	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	5,584	145	145
	Retained earnings			
3310	Legal reserve	12,765	7,779	7,779
3350	Unappropriated retained earnings (accumulated deficit)	16,900	67,760	37,672
3300	Total retained earnings	29,665	75,539	45,451
	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	(12,872)	(22,632)	(22,632)
31XX	Total equity attributable to owners of parent	492,377	523,052	492,964
36XX	Non-controlling interests	19,028	0	0
3XXX	Total equity	511,405	523,052	492,964

3X2X	Total liabilities and equity	1,065,975	996,085	955,100
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	1,346,243	2,346,243	2,346,243

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

Statement of Comprehensive Income					
Code	Accounting Title	2021/4/1To6/30	2020/4/1To6/30	2021/1/1To6/30	2020/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	15,671	72,204	97,056	192,196
	Rental revenue				
4300	Total rental revenue	19	19	47	47
	Construction and engineering revenue				
4520	Engineering service revenue	0	0	0	0
4500	Total construction and engineering revenue	0	0	0	0
	Service revenue				
4650	Technical service revenue	39,445	99,577	125,175	132,942
4600	Total service revenue	39,445	99,577	125,175	132,942
	Other operating revenue				
4800	Other operating revenue, net	4,628	5,713	9,763	11,697
4000	Total operating revenue	59,763	177,513	232,041	336,882
	Operating costs				
	Cost of sales				
5110	Total cost of sales	13,380	66,286	86,967	166,388
	Cost of rental sales				
5300	Total cost of rental sales	0	2	0	10
	Cost of construction and engineering service sales				
5500	Total cost of construction and engineering service sales	0	0	0	0
	Cost of services				
5600	Total cost of services	24,599	72,311	91,655	104,484
5800	Other operating costs	963	484	1,668	1,177
5000	Total operating costs	38,942	139,083	180,290	272,059
5900	Gross profit (loss) from operations	20,821	38,430	51,751	64,823
5950	Gross profit (loss) from operations	20,821	38,430	51,751	64,823
	Operating expenses				
6100	Selling expenses	11,576	8,860	21,639	17,494
6200	Administrative expenses	18,531	11,250	37,326	20,959
6300	Research and development expenses	1,094	1,310	2,601	2,734
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	1,113	0	1,113	0
6000	Total operating expenses	32,314	21,420	62,679	41,187
6900	Net operating income (loss)	(11,493)	17,010	(10,928)	23,636
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	53	190	86	278
	Other income				
7010	Total other income	805	2,906	972	3,333
	Other gains and losses				
7020	Other gains and losses, net	218	(496)	1,606	54
	Finance costs				

7050	Finance costs, net	191	425	387	1,049
	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	885	2,175	2,277	2,616
7900	Profit (loss) from continuing operations before tax	(10,608)	19,185	(8,651)	26,252
	Tax expense (income)				
7950	Total tax expense (income)	237	4,374	1,467	6,474
8000	Profit (loss) from continuing operations	(10,845)	14,811	(10,118)	19,778
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	0	0	0
8200	Profit (loss)	(10,845)	14,811	(10,118)	19,778
	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
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	(10,845)	14,811	(10,118)	19,778
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	(9,601)	14,811	(8,874)	19,778
8620	Profit (loss), attributable to non-controlling interests	(1,244)	0	(1,244)	0
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(9,601)	14,811	(8,874)	19,778
8720	Comprehensive income, attributable to non-controlling interests	(1,244)	0	(1,244)	0
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	(0.21)	0.33	(0.19)	0.44
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00

9750	Total basic earnings per share	(0.21)	0.33	(0.19)	0.44
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	(0.21)	0.33	(0.19)	0.44
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9850	Total diluted earnings per share	(0.21)	0.33	(0.19)	0.44

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2021/1/1To6/30		2020/1/1To6/30
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax		(8,651)	26,252
A00020	Profit (loss) from discontinued operations before tax		0	0
A10000	Profit (loss) before tax		(8,651)	26,252
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense		5,073	4,488
A20200	Amortization expense		196	384
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense		1,113	0
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(1,218)	(652)
A20900	Interest expense		387	1,049
A21200	Interest income		(86)	(278)
A21300	Dividend income		0	0
A21900	Share-based payments		3,730	0
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
A22700	Loss (gain) on disposal of investment properties		0	0
A22900	Loss (gain) on disposal of other assets		0	0
A23700	Impairment loss on non-financial assets		0	(2,130)
A23800	Reversal of impairment loss on non-financial assets		0	0
A24100	Unrealized foreign exchange loss (gain)		1,296	776
A29900	Other adjustments to reconcile profit (loss)		(10)	(19)
A20010	Total adjustments to reconcile profit (loss)		10,481	3,618
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31130	Decrease (increase) in notes receivable		(587)	2,688
A31150	Decrease (increase) in accounts receivable		(31,442)	(31,703)
A31160	Decrease (increase) in accounts receivable due from related parties		701	270
A31180	Decrease (increase) in other receivable		0	107
A31190	Decrease (increase) in other receivable due from related parties		0	0
A31200	Adjustments for decrease (increase) in inventories		2,415	85,154
A31230	Decrease (increase) in prepayments		9,462	1,382
A31240	Adjustments for decrease (increase) in other current assets		(4,139)	5,241
A31990	Decrease (increase) in other operating assets		46,856	(50,298)
A31000	Total changes in operating assets		23,266	12,841
	Changes in operating liabilities			
A32125	Increase (decrease) in contract liabilities		(26,385)	(8,813)
A32130	Increase (decrease) in notes payable		(400)	(21,401)
A32150	Increase (decrease) in accounts payable		9,903	49,359
A32160	Increase (decrease) in accounts payable to related parties		(5,663)	5,706
A32180	Increase (decrease) in other payable		(12,072)	(9,190)

A32190	Increase (decrease) in other payable to related parties	435	(314)
A32200	Increase (decrease) in provisions	5,845	7,606
A32230	Adjustments for increase (decrease) in other current liabilities	753	402
A32000	Total changes in operating liabilities	(27,584)	23,355
A30000	Total changes in operating assets and liabilities	(4,318)	36,196
A20000	Total adjustments	6,163	39,814
A33000	Cash inflow (outflow) generated from operations	(2,488)	66,066
A33100	Interest received	82	268
A33300	Interest paid	(318)	(1,154)
A33500	Income taxes refund (paid)	(9,444)	(2,780)
AAAA	Net cash flows from (used in) operating activities	(12,168)	62,400
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	(683)	0
B00050	Proceeds from disposal of financial assets at amortised cost	0	11,561
B00100	Acquisition of financial assets at fair value through profit or loss	0	10,000
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	(1,632)	(1,731)
B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	(10,316)	0
B03800	Decrease in refundable deposits	0	4,027
B04500	Acquisition of intangible assets	(85)	(230)
B06000	Increase in long-term lease and installment receivables	0	0
B06100	Decrease in long-term lease and installment receivables	0	0
B07500	Interest received	0	0
B07600	Dividends received	0	0
BBBB	Net cash flows from (used in) investing activities	(12,716)	23,627
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	12,771	0
C00200	Decrease in short-term loans	0	(17,071)
C01600	Proceeds from long-term debt	147,192	0
C01700	Repayments of long-term debt	(49,107)	(43,981)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(402)	(311)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(5,212)	(4,629)
C04500	Cash dividends paid	(37,000)	0
C04700	Capital reduction payments to shareholders	0	0
C04900	Payments to acquire treasury shares	0	(9,005)
C05000	Proceeds from sale of treasury shares	9,741	0
C05800	Change in non-controlling interests	22,000	0
CCCC	Net cash flows from (used in) financing activities	99,983	(74,997)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,365)	(790)
EEEE	Net increase (decrease) in cash and cash equivalents	73,734	10,240
E00100	Cash and cash equivalents at beginning of period	289,188	253,238
E00200	Cash and cash equivalents at end of period	362,922	263,478
E00210	Cash and cash equivalents reported in the statement of financial position	362,922	263,478

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	7,779	67,760	75,539	0	0	(22,632)	523,055
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	145	7,779	67,760	75,539	0	0	(22,632)	523,055
B1	Legal reserve appropriated					4,986	(4,986)	0				0
B5	Cash dividends of ordinary share					0	(37,000)	(37,000)				(37,000)
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)						(8,874)	(8,874)				(8,874)
D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						(8,874)	(8,874)	0	0		(8,874)
L3	Retirement of treasury share				(19)						9,760	9,741
M7	Changes in ownership interests in subsidiaries				1,728							1,728
N1	Share-based payments				3,730							3,730
O1	Changes in non-controlling interests											0
T1	Others	0	0	0	0	0	0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	5,439	4,986	(50,860)	(45,874)	0	0	9,760	(30,675)
Z1	Equity at	470,000	0	470,000	5,584	12,765	16,900	29,665	0	0	(12,872)	492,377

	end of period											
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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	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)						19,778	19,778				19,778
D3	Other comprehensive income						0	0	0	0		
D5	Total comprehensive income						19,778	19,778	0	0		19,778
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	2,932	5,678	0	0	(9,005)	(3,327)
Z1	Equity at end of period	470,000	0	470,000	145	7,779	37,672	45,451	0	0	(22,632)	492,966

