

6148 AZION CORPORATION

2021Q3 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2021/9/30	2020/12/31	2020/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	277,686	289,188	306,730
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	85,764	65,658	83,603
1140	Current contract assets	0	0	0
1150	Notes receivable, net	0	324	324
1160	Notes receivable due from related parties, net	0	0	0
1170	Accounts receivable, net	145,043	52,399	235,113
1172	Accounts receivable	145,043	52,399	235,113
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	373	1,067	318
1181	Accounts receivable due from related parties	373	1,067	318
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	140,435	143,203	122,357
1200	Other receivables	721	720	618
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	1,151	0	242
130X	Current inventories	92,093	66,730	54,780
1300	Inventories, merchandising business	92,093	66,730	54,780
1301	Merchandise inventory	92,093	66,730	54,780
1400	Current biological assets	0	0	0
1410	Prepayments	21,179	25,067	32,113
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	1,581	1,018	3,112
1476	Other current financial assets	0	0	0
1479	Other current assets, others	1,581	1,018	3,112
11XX	Total current assets	766,089	645,437	839,476
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	17,031	16,598	16,731
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	2,495	2,182	2,037
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	2,293	1,797	1,590
1656	Computer and telecommunication equipment, cost	9,592	9,709	9,277
1658	Accumulated depreciation, computer and telecommunication equipment	(7,299)	(7,912)	(7,687)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	57	133	158
1661	Testing equipment, cost	4,503	4,604	4,604
1663	Accumulated depreciation, testing equipment	(4,446)	(4,471)	(4,446)
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	47	74	83
1691	Office equipment, cost	417	417	417
1693	Accumulated depreciation, office equipment	(370)	(343)	(334)
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	98	178	206
1736	Other facilities, cost	18,201	18,201	18,201
1738	Accumulated depreciation, other facilities	(18,103)	(18,023)	(17,995)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	17,478	22,883	24,863
1760	Investment property, net	0	0	0
1780	Intangible assets	446	654	823
1805	Goodwill	0	0	0
1821	Other intangible assets, net	446	654	823
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	10,270	8,092	6,627
1900	Other non-current assets	276,871	300,239	229,553
1915	Prepayments for business facilities	0	0	0
1920	Guarantee deposits paid	51,911	29,542	28,388
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	219,674	265,426	195,965
1975	Net defined benefit asset, non-current	5,286	5,271	5,200
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	324,591	350,648	280,634
1XXX	Total assets	1,090,680	996,085	1,120,110
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	30,989	13,573	45,000
2130	Current contract liabilities	12,072	41,077	34,426
2150	Notes payable	19,727	489	14,529
2170	Accounts payable	72,223	28,767	107,772
2180	Accounts payable to related parties	2,978	6,775	1,842
2190	Construction contracts payable	0	0	0

2200	Other payables	47,818	64,715	50,936
2219	Other payables, others	47,818	64,715	50,936
2220	Other payables to related parties	286	386	486
2230	Current tax liabilities	1,351	9,443	5,244
2250	Current provisions	68,972	57,603	57,605
2265	Progress billings	0	0	0
2280	Current lease liabilities	9,768	8,900	9,367
2300	Other current liabilities	88,955	88,085	94,529
2320	Long-term liabilities, current portion	88,003	87,385	90,990
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	952	700	3,539
21XX	Total current liabilities	355,139	319,813	421,736
	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	203,083	135,320	154,894
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,176	1,061	1,074
2580	Non-current lease liabilities	13,436	15,564	17,503
2600	Other non-current liabilities	921	1,275	11,253
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	921	1,275	11,253
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	218,616	153,220	184,724
2XXX	Total liabilities	573,755	473,033	606,460
	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)	41,448	67,760	58,358
3300	Total retained earnings	54,213	75,539	66,137
	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	516,925	523,052	513,650
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	516,925	523,052	513,650

3X2X	Total liabilities and equity	1,090,680	996,085	1,120,110
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	2021/7/1To9/30	2020/7/1To9/30	2021/1/1To9/30	2020/1/1To9/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	74,004	204,470	170,672	396,666
	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	79,326	77,440	204,476	210,382
4600	Total service revenue	79,326	77,440	204,476	210,382
	Other operating revenue				
4800	Other operating revenue, net	4,126	5,357	13,889	17,054
4000	Total operating revenue	157,493	287,304	389,121	624,186
	Operating costs				
	Cost of sales				
5110	Total cost of sales	66,519	169,705	153,159	336,093
	Cost of rental sales				
5300	Total cost of rental sales	0	0	0	10
	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	49,733	65,476	140,208	169,960
5600	Total cost of services	49,733	65,476	140,208	169,960
5800	Other operating costs	866	558	2,534	1,735
5000	Total operating costs	117,118	235,739	295,901	507,798
5900	Gross profit (loss) from operations	40,375	51,565	93,220	116,388
5950	Gross profit (loss) from operations	40,375	51,565	93,220	116,388
	Operating expenses				
6100	Selling expenses	10,786	9,866	30,124	27,360
6200	Administrative expenses	21,087	28,640	55,095	49,599
6300	Research and development expenses	1,285	1,510	3,886	4,244
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	318	(505)	1,431	(505)
6000	Total operating expenses	33,476	39,511	90,536	80,698
6900	Net operating income (loss)	6,899	12,054	2,684	35,690
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	34	40	118	318
	Other income				
7010	Total other income	17,747	11,013	18,719	14,346
	Other gains and losses				
7020	Other gains and losses, net	3,147	329	4,753	383

	Finance costs				
7050	Finance costs, net	208	416	583	1,465
	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	20,720	10,966	23,007	13,582
7900	Profit (loss) from continuing operations before tax	27,619	23,020	25,691	49,272
	Tax expense (income)				
7950	Total tax expense (income)	3,071	2,334	4,538	8,808
8000	Profit (loss) from continuing operations	24,548	20,686	21,153	40,464
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	0	(6,723)	0
8200	Profit (loss)	24,548	20,686	14,430	40,464
	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	24,548	20,686	14,430	40,464
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	24,548	20,686	15,674	40,464
8620	Profit (loss), attributable to non-controlling interests	0	0	(1,244)	0
	Comprehensive income attributable to:				
8710		24,548	20,686	15,674	40,464

	Comprehensive income, attributable to owners of parent				
8720	Comprehensive income, attributable to non-controlling interests	0	0	(1,244)	0
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.53	0.46	0.46	0.90
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00	(0.12)	0.00
9750	Total basic earnings per share	0.53	0.46	0.34	0.90
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.53	0.45	0.46	0.89
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00	(0.12)	0.00
9850	Total diluted earnings per share	0.53	0.45	0.34	0.89

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2021/1/1To9/30	2020/1/1To9/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	25,691	49,272	
A00020	Profit (loss) from discontinued operations before tax	(6,723)	0	
A10000	Profit (loss) before tax	18,968	49,272	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	7,431	6,799	
A20200	Amortization expense	293	575	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,431	(505)	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(433)	(102)	
A20900	Interest expense	583	1,465	
A21200	Interest income	(118)	(318)	
A21300	Dividend income	(2,600)	(2,000)	
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	(3)	0	
A22900	Loss (gain) on disposal of other assets	(3,771)	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	900	(1,844)	
A23800	Reversal of impairment loss on non-financial assets	0	0	
A24100	Unrealized foreign exchange loss (gain)	187	512	
A29900	Other adjustments to reconcile profit (loss)	(15)	(29)	
A20010	Total adjustments to reconcile profit (loss)	7,615	4,553	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31130	Decrease (increase) in notes receivable	324	2,688	
A31150	Decrease (increase) in accounts receivable	(95,118)	(135,050)	
A31160	Decrease (increase) in accounts receivable due from related parties	694	587	
A31180	Decrease (increase) in other receivable	2	106	
A31190	Decrease (increase) in other receivable due from related parties	0	0	
A31200	Adjustments for decrease (increase) in inventories	(26,460)	62,229	
A31230	Decrease (increase) in prepayments	3,747	(7,557)	
A31240	Adjustments for decrease (increase) in other current assets	(4,699)	2,863	
A31990	Decrease (increase) in other operating assets	54,016	(12,544)	
A31000	Total changes in operating assets	(67,494)	(86,678)	

	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(28,425)	(15,310)
A32130	Increase (decrease) in notes payable	19,238	(7,038)
A32150	Increase (decrease) in accounts payable	43,883	72,605
A32160	Increase (decrease) in accounts payable to related parties	(3,797)	(1,444)
A32180	Increase (decrease) in other payable	(13,799)	4,673
A32190	Increase (decrease) in other payable to related parties	435	(164)
A32200	Increase (decrease) in provisions	11,369	14,417
A32230	Adjustments for increase (decrease) in other current liabilities	481	2,896
A32250	Increase (decrease) in deferred credits	0	0
A32000	Total changes in operating liabilities	29,385	70,635
A30000	Total changes in operating assets and liabilities	(38,109)	(16,043)
A20000	Total adjustments	(30,494)	(11,490)
A33000	Cash inflow (outflow) generated from operations	(11,526)	37,782
A33100	Interest received	118	318
A33300	Interest paid	(602)	(1,458)
A33500	Income taxes refund (paid)	(15,844)	(6,650)
AAAA	Net cash flows from (used in) operating activities	(27,854)	29,992
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	(20,106)	(7,521)
B00100	Acquisition of financial assets at fair value through profit or loss	0	0
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	0	10,000
B01800	Acquisition of investments accounted for using equity method	0	0
B02300	Proceeds from disposal of subsidiaries	(13,115)	0
B02700	Acquisition of property, plant and equipment	(2,301)	(1,731)
B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	(23,006)	0
B03800	Decrease in refundable deposits	0	11,307
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	2,600	2,000
BBBB	Net cash flows from (used in) investing activities	(56,013)	13,825
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	17,589	0
C00200	Decrease in short-term loans	0	(42,071)
C01600	Proceeds from long-term debt	147,192	142,350
C01700	Repayments of long-term debt	(78,811)	(59,251)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(354)	(455)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(7,641)	(7,020)
C04500	Cash dividends paid	(37,000)	(14,100)
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	72,716	10,448

DDDD	Effect of exchange rate changes on cash and cash equivalents	(351)	(773)
EEEE	Net increase (decrease) in cash and cash equivalents	(11,502)	53,492
E00100	Cash and cash equivalents at beginning of period	289,188	253,238
E00200	Cash and cash equivalents at end of period	277,686	306,730
E00210	Cash and cash equivalents reported in the statement of financial position	277,686	306,730

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)	523,050
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)	523,050
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)						15,674	15,674				15,674
D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						15,674	15,674	0	0		15,674
L1	Purchase of treasury shares										0	0
L3	Retirement of treasury share	0		0	(19)		0	0			9,760	9,741
M3	Disposal of subsidiaries or investments accounted for				0							0

	using equity method											
M7	Changes in ownership interests in subsidiaries				1,728						0	1,728
N1	Share-based payments				3,730						0	3,730
O1	Changes in non-controlling interests											
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	(26,312)	(21,326)	0	0	9,760	(6,121)
Z1	Equity at end of period	470,000	0	470,000	5,584	12,765	41,448	54,213	0	0	(12,872)	516,921

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)	496,291
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	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)	496,291
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				0
C11	Capital surplus used to offset accumulated deficits				0		0	0				0
D1	Profit (loss)						40,464	40,464				40,464
D3	Other comprehensive income						0	0	0	0		0
D5	Total						40,464	40,464	0	0		40,464

	comprehensive income											
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