

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	June 30, 2021		December 31, 2020		June 30, 2020		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 593,309	13	\$ 907,789	23	\$ 810,722	19
1110	Financial assets at fair value through profit or loss -current	6(2) and						
		12(3)	269,069	6	-	-	37,013	1
1150	Notes receivable	6(3) and						
		12(2)	20,395	-	18,824	1	7,368	-
1170	Accounts receivable	6(3) and						
		12(2)	664,076	15	702,733	17	689,059	16
1180	Accounts receivable – related parties	6(3) and						
		12(2)	-	-	-	-	49	-
1200	Other receivables		32,611	1	11,360	-	16,750	-
1220	Current income tax assets		882	-	1,381	-	816	-
130X	Inventories	6(4)	1,463,124	32	818,841	20	1,119,094	26
1410	Prepayments		44,163	1	37,904	1	34,044	1
1470	Other current assets		6,063	-	2,615	-	2,501	-
11XX	Total current assets		<u>3,093,692</u>	<u>68</u>	<u>2,501,447</u>	<u>62</u>	<u>2,717,416</u>	<u>63</u>
Non-current assets								
1550	Investments accounted for under equity method	6(5)	24,283	-	25,945	1	26,773	1
1600	Property, plant and equipment	6(6) and 8	1,131,081	25	1,144,409	28	1,165,553	27
1755	Right-of-use assets	6(7)	90,884	2	98,458	2	112,787	3
1760	Investment property	6(9)	38,727	1	85,193	2	85,717	2
1780	Intangible assets	6(10)(11)	111,603	2	113,714	3	124,381	3
1840	Deferred income tax assets	6(29)	70,693	2	65,210	2	61,870	1
1990	Other non-current assets		9,526	-	9,141	-	8,776	-
15XX	Total non-current assets		<u>1,476,797</u>	<u>32</u>	<u>1,542,070</u>	<u>38</u>	<u>1,585,857</u>	<u>37</u>
1XXX	Total Assets		<u>\$ 4,570,489</u>	<u>100</u>	<u>\$ 4,043,517</u>	<u>100</u>	<u>\$ 4,303,273</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2021		December 31, 2020		June 30, 2020		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 24,189	1	\$ -	-	\$ -	-
2130	Contract liabilities - current	6(22)	52,856	1	37,249	1	57,940	1
2150	Notes payables		5,324	-	997	-	378	-
2170	Accounts payable		696,522	15	318,697	8	426,458	10
2180	Accounts payable – related parties	7	6,869	-	4,640	-	3,254	-
2200	Other payables	6(12)	493,882	11	325,696	8	604,329	14
2230	Current income tax liabilities		68,363	2	81,882	2	93,179	2
2250	Provisions for liabilities - current		939	-	939	-	896	-
2280	Current lease liabilities		27,682	1	31,834	1	40,009	1
2320	Current portion of long-term borrowings	6(14)(15)	249,960	5	278,732	7	2,963	-
2399	Other current liabilities		8,098	-	19,475	-	6,791	-
21XX	Total current liabilities		<u>1,634,684</u>	<u>36</u>	<u>1,100,141</u>	<u>27</u>	<u>1,236,197</u>	<u>28</u>
Non-current liabilities								
2530	Corporate bonds payable	6(14)	-	-	-	-	295,118	7
2540	Long-term borrowings	6(15) and 8	36,460	1	38,685	1	41,729	1
2560	Non-current income tax liabilities		44,243	1	15,423	1	-	-
2570	Deferred income tax liabilities	6(29)	131,442	3	131,848	3	104,565	2
2580	Non-current lease liabilities		65,310	1	68,468	2	74,704	2
2600	Other non-current liabilities		54,212	1	55,174	1	75,543	2
25XX	Total non-current liabilities		<u>331,667</u>	<u>7</u>	<u>309,598</u>	<u>8</u>	<u>591,659</u>	<u>14</u>
2XXX	Total liabilities		<u>1,966,351</u>	<u>43</u>	<u>1,409,739</u>	<u>35</u>	<u>1,827,856</u>	<u>42</u>
Equity attributable to shareholders of the parent								
Share capital								
3110	Ordinary shares	6(18)	834,499	18	825,953	20	819,001	19
3140	Advance receipts for share capital	6(18)	26,641	-	23,897	1	22,355	1
Capital surplus								
3200	Capital surplus	6(19)	364,271	8	330,595	8	306,409	7
Retained earnings								
3310	Legal reserve	6(20)	546,178	12	546,178	13	546,178	13
3320	Special reserve		26,633	1	26,633	1	26,633	1
3350	Unappropriated retained earnings		867,931	19	919,497	23	790,621	18
Other equity								
3400	Other equity	6(21)	(62,015)	(1)	(38,975)	(1)	(35,780)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>2,604,138</u>	<u>57</u>	<u>2,633,778</u>	<u>65</u>	<u>2,475,417</u>	<u>58</u>
3XXX	Total equity		<u>2,604,138</u>	<u>57</u>	<u>2,633,778</u>	<u>65</u>	<u>2,475,417</u>	<u>58</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total Liabilities and Equity		<u>\$ 4,570,489</u>	<u>100</u>	<u>\$ 4,043,517</u>	<u>100</u>	<u>\$ 4,303,273</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	For the Three Months Ended June 30				For the Six Months Ended June 30				
		2021		2020		2021		2020		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6(22)	\$ 1,101,379	100	\$ 1,125,266	100	\$ 2,070,085	100	\$ 2,249,503	100
5000	Operating costs	6(4)(27)(28) and 7	(725,500)	(66)	(719,083)	(64)	(1,339,112)	(65)	(1,486,562)	(66)
5900	Gross profit		375,879	34	406,183	36	730,973	35	762,941	34
5910	Unrealized loss from sales	6(5)	-	-	-	-	(57)	-	(71)	-
5920	Realized sales benefit		-	-	-	-	57	-	36	-
5950	Net operating margin		375,879	34	406,183	36	730,973	35	762,906	34
	Operating expenses	6(27)(28)								
6100	Selling expenses		(147,203)	(14)	(140,386)	(13)	(290,153)	(14)	(294,458)	(13)
6200	General and administrative expenses		(36,396)	(3)	(31,493)	(3)	(72,162)	(3)	(60,404)	(3)
6300	Research and development expenses		(121,177)	(11)	(104,343)	(9)	(229,460)	(11)	(209,786)	(9)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined In order to comply with IFRS 9	12(2)	1,482	-	(712)	-	1,843	-	(4,516)	-
6000	Total operating expenses		(303,294)	(28)	(276,934)	(25)	(589,932)	(28)	(569,164)	(25)
6900	Operating profit		72,585	6	129,249	11	141,041	7	193,742	9
	Non-operating income and expenses									
7100	Interest income	6(23)	440	-	1,964	-	1,098	-	3,970	-
7010	Other income	6(24)	8,690	1	44,581	4	10,370	-	47,972	2
7020	Other gains and losses	6(25)	(7,824)	(1)	(12,713)	(1)	64,337	3	(1,010)	-
7050	Finance costs	6(26)	(1,820)	-	(2,229)	-	(3,700)	-	(4,772)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(5)	(857)	-	(547)	-	(1,661)	-	(761)	-
7000	Total non-operating income and expenses		(1,371)	-	31,056	3	70,444	3	45,399	2
7900	Profit before income tax		71,214	6	160,305	14	211,485	10	239,141	11
7950	Income tax expenses	6(29)	(25,331)	(2)	(49,891)	(4)	(46,097)	(2)	(61,343)	(3)
8200	Net Income		\$ 45,883	4	\$ 110,414	10	\$ 165,388	8	\$ 177,798	8
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		(\$ 17,382)	(1)	(\$ 11,620)	(1)	(\$ 28,800)	(1)	(\$ 11,434)	-
8399	Income tax relating to the components of other comprehensive income	6(29)	3,476	-	2,324	-	5,760	-	2,287	-
8300	Other comprehensive income (loss) for the year		(\$ 13,906)	(1)	(\$ 9,296)	(1)	(\$ 23,040)	(1)	(\$ 9,147)	-
8500	Total Comprehensive Income		\$ 31,977	3	\$ 101,118	9	\$ 142,348	7	\$ 168,651	8

The accompanying notes are an integral part of these consolidated financial statements.

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Profit attributable to:							
8610	Shareholders of the parent	\$ 45,883	4	\$ 110,414	10	\$ 165,388	8
	Total comprehensive income						
(loss) attributable to:							
8710	Shareholders of the parent	\$ 31,977	3	\$ 101,118	9	\$ 142,348	7
9750	Basic earnings per share	6(30)	\$ 0.55	\$ 1.34	\$ 1.98	\$ 2.17	
9850	Diluted earnings per share	6(30)	\$ 0.52	\$ 1.25	\$ 1.85	\$ 2.01	

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AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent								
		Share capital			Retained earnings			Financial statements translation differences of foreign operations	Total
Notes	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>Year 2020</u>									
Balance at January 1, 2020		\$ 803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	(\$ 26,633)	\$ 2,597,399
Profit		-	-	-	-	-	177,798	-	177,798
Other comprehensive income	6(21)	-	-	-	-	-	-	(9,147)	(9,147)
Total comprehensive income		-	-	-	-	-	177,798	(9,147)	168,651
Appropriations of 2019 earnings	6(20)								
Legal reserve		-	-	-	45,697	-	(45,697)	-	-
Special reserve		-	-	-	-	22,402	(22,402)	-	-
Cash dividend		-	-	-	-	-	(327,568)	-	(327,568)
Share-based payments	6(17)	500	5,054	535	-	-	-	-	6,089
Compensation cost of share-based payments	6(17)	-	-	3,758	-	-	-	-	3,758
Conversion of convertible bonds		14,547	(43,656)	56,197	-	-	-	-	27,088
Balance at June 30, 2020		\$ 819,001	\$ 22,355	\$ 306,409	\$ 546,178	\$ 26,633	\$ 790,621	(\$ 35,780)	\$ 2,475,417
<u>Year 2021</u>									
Balance at January 1, 2021		\$ 825,953	\$ 23,897	\$ 330,595	\$ 546,178	\$ 26,633	\$ 919,497	(\$ 38,975)	\$ 2,633,778
Profit		-	-	-	-	-	165,388	-	165,388
Other comprehensive income	6(21)	-	-	-	-	-	-	(23,040)	(23,040)
Total comprehensive income		-	-	-	-	-	165,388	(23,040)	142,348
Appropriations of 202 earnings	6(20)								
Cash dividends		-	-	-	-	-	(216,954)	-	(216,954)
Share-based payments	6(17)	2,330	(708)	4,189	-	-	-	-	5,811

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
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Compensation cost of share-based payments 6(17)	-	-	8,271	-	-	-	-	8,271
Conversion of convertible bonds	<u>6,216</u>	<u>3,452</u>	<u>21,216</u>	-	-	-	-	<u>30,884</u>
Balance at June 30, 2021	<u>\$ 834,499</u>	<u>\$ 26,641</u>	<u>\$ 364,271</u>	<u>\$ 546,178</u>	<u>\$ 26,633</u>	<u>\$ 867,931</u>	<u>(\$ 62,015)</u>	<u>\$ 2,604,138</u>

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AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Six Months Ended June 30	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 211,485	\$ 239,141
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(1,843)	4,516
Depreciation	6(6), (7) and (27)	46,660	52,154
Depreciation from investment Property	6(9) and (25)	293	524
Amortization	6(10) and (27)	8,426	6,477
Interest income	6(23)	(1,098)	(3,970)
Share of profit of associates and joint ventures accounted for under equity method	6(5)	1,661	761
Gain on disposal of property, plant and equipment	6(25)	(114)	(136)
Gain on disposal of investments	6(25)	(164)	(165)
Gain on disposal of subsidiaries	6(25)	(78,854)	-
Loss (gain) on lease modification	6(25)	(16)	(15)
Net gain on financial assets at fair value through profit	6(25)	(69)	(13)
Interest expense	6(26)	3,700	4,772
Compensation cost of share-based payments	6(17) and (28)	8,271	3,758
Unrealized profit from sales		-	35
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(268,836)	(36,835)
Notes receivable		(1,571)	9,311
Accounts receivable (including related parties)		40,678	(31,230)
Other receivables		(21,402)	(2,856)
Inventories		(644,116)	(172,294)
Prepayments		(6,259)	(9,205)
Other current assets		(3,448)	315
Changes in liabilities relating to operating activities			
Contract liabilities		15,607	34,339
Notes payables		4,327	(297)
Accounts payable (including related parties)		380,055	27,205
Other payables		(47,821)	(35,789)
Other current liabilities		(11,378)	(5,219)
Other non-current assets		(962)	(398)
Cash outflow generated from operations		(366,788)	84,886
Receipt of interest		1,249	5,203
Payment of interest		(1,526)	(2,198)
Payment of income tax		(30,571)	(6,388)
Net cash flows provided by (used in) operating activities		(397,636)	81,503

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Six Months Ended June 30	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(31)	(\$ 18,508)	(\$ 20,463)
Proceeds from disposal of property, plant and equipment		359	151
Proceeds from disposal of Investment property		125,027	-
Acquisition of intangible assets	6(10)	(6,361)	(4,432)
Increase in other non-current assets		(405)	(29)
Net cash flows provided by (used in) investing activities		<u>100,112</u>	<u>(24,773)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Redemption of short -term borrowings		(1,000)	(208,000)
Proceeds from short -term borrowings		25,562	106,000
Redemption of long-term borrowings		(1,398)	(1,500)
Proceeds from exercise of employee stock options		5,811	6,089
Increase (decrease) in refundable deposits		-	160
Payment of lease liabilities		(19,199)	(20,806)
Net cash flows provided by (used in) financing activities		<u>9,776</u>	<u>(118,057)</u>
Effects due to changes in exchange rate		(26,732)	(10,683)
Increase (Decrease) in cash and cash equivalents		(314,480)	(72,010)
Cash and cash equivalents at beginning of year		<u>907,789</u>	<u>882,732</u>
Cash and cash equivalents at end of year		<u>\$ 593,309</u>	<u>\$ 810,722</u>

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