

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

Assets	Notes	June 30, 2022		December 31, 2021		June 30, 2021		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 677,470	12	\$ 943,871	18	\$ 593,309	13
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(3)	-	-	-	-	269,069	6
1150	Notes receivable	6(3) and 12(2)	15,019	-	19,898	-	20,395	-
1170	Accounts receivable	6(3) and 12(2)	763,126	14	745,496	14	664,076	15
1180	Accounts receivable – related parties	6(3) and 12(2)	329	-	103	-	-	-
1200	Other receivables		32,379	1	29,785	1	32,611	1
1220	Current income tax assets		8,208	-	401	-	882	-
130X	Inventories	6(4)	2,032,591	36	1,511,484	28	1,463,124	32
1410	Prepayments		36,495	1	23,221	-	44,163	1
1470	Other current assets		4,485	-	834	-	6,063	-
11XX	Total current assets		<u>3,570,102</u>	<u>64</u>	<u>3,275,093</u>	<u>61</u>	<u>3,093,692</u>	<u>68</u>
Non-current assets								
1550	Investments accounted for under equity method	6(5)	19,126	-	20,982	1	24,283	-
1600	Property, plant and equipment	6(6) and 8	1,668,569	30	1,670,465	31	1,131,081	25
1755	Right-of-use assets	6(7)	118,001	2	127,737	2	90,884	2
1760	Investment property	6(9)	38,231	1	38,479	1	38,727	1
1780	Intangible assets	6(10)(11)	115,713	2	114,769	2	111,603	2
1840	Deferred income tax assets		70,156	1	78,938	2	70,693	2
1990	Other non-current assets		10,435	-	9,228	-	9,526	-
15XX	Total non-current assets		<u>2,040,231</u>	<u>36</u>	<u>2,060,598</u>	<u>39</u>	<u>1,476,797</u>	<u>32</u>
1XXX	Total Assets		<u>\$ 5,610,333</u>	<u>100</u>	<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,570,489</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, 2022		December 31, 2021		June 30, 2021		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 439,000	8	\$ 374,000	7	\$ 24,189	1
2130	Contract liabilities - current	6(24)	105,750	2	92,336	2	52,856	1
2150	Notes payables		-	-	675	-	5,324	-
2170	Accounts payable	6(15)	823,905	15	828,310	15	696,522	15
2180	Accounts payable – related parties	7	6,795	-	6,813	-	6,869	-
2200	Other payables	6(13)	645,335	11	419,448	8	493,882	11
2230	Current income tax liabilities		97,234	2	94,855	2	68,363	2
2250	Provisions for liabilities - current		1,152	-	1,152	-	939	-
2280	Current lease liabilities		38,182	-	37,570	1	27,682	1
2320	Current portion of long-term borrowings	6(16) (17)	1,515	-	1,411	-	249,960	5
2399	Other current liabilities		5,633	-	6,963	-	8,098	-
21XX	Total current liabilities		<u>2,164,501</u>	<u>38</u>	<u>1,863,533</u>	<u>35</u>	<u>1,634,684</u>	<u>36</u>
Non-current liabilities								
2540	Long-term borrowings	6(17) and 8	56,805	1	53,606	1	36,460	1
2560	Non-current income tax liabilities		16,553	-	30,677	-	44,243	1
2570	Deferred income tax liabilities	6(31)	160,228	3	160,410	3	131,442	3
2580	Non-current lease liabilities		83,425	2	92,880	2	65,310	1
2600	Other non-current liabilities	6(18)	55,916	1	56,312	1	54,212	1
25XX	Total non-current liabilities		<u>372,927</u>	<u>7</u>	<u>393,885</u>	<u>7</u>	<u>331,667</u>	<u>7</u>
2XXX	Total liabilities		<u>2,537,428</u>	<u>45</u>	<u>2,257,418</u>	<u>42</u>	<u>1,966,351</u>	<u>43</u>
Equity attributable to shareholders of the parent								
Share capital								
3110	Ordinary shares	6(20)	902,025	16	884,829	17	834,499	18
3140	Advance receipts for share capital		5,256	-	75,094	1	26,641	-
Capital surplus								
3200	Capital surplus	6(21)	601,022	11	533,041	10	364,271	8
Retained earnings								
3310	Legal reserve	6(22)	615,504	11	576,846	11	546,178	12
3320	Special reserve		76,627	2	38,974	1	26,633	1
3350	Unappropriated retained earnings		908,660	16	1,046,116	20	867,931	19
Other equity								
3400	Other equity	6(23)	(36,189)	(1)	(76,627)	(2)	(62,015)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>3,072,905</u>	<u>55</u>	<u>3,078,273</u>	<u>58</u>	<u>2,604,138</u>	<u>57</u>
3XXX	Total equity		<u>3,072,905</u>	<u>55</u>	<u>3,078,273</u>	<u>58</u>	<u>2,604,138</u>	<u>57</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total Liabilities and Equity		<u>\$ 5,610,333</u>	<u>100</u>	<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,570,489</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			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(24)	\$ 1,595,521	100	\$ 1,101,379	100	\$ 3,080,344	100	\$ 2,070,085	100
5000 Operating costs	6(4), (29),(30) and 7	(1,112,978)	(70)	(725,500)	(66)	(2,105,996)	(69)	(1,339,112)	(65)
5900 Gross profit		482,543	30	375,879	34	974,348	31	730,973	35
5910 Unrealized loss from sales	6(5)	(113)	-	-	-	(211)	-	(57)	-
5920 Realized sales benefit		-	-	-	-	20	-	57	-
5950 Net operating margin		482,430	30	375,879	34	974,157	31	730,973	35
Operating expenses	6(29) and (30)								
6100 Selling expenses		(126,408)	(8)	(147,203)	(14)	(265,327)	(9)	(290,153)	(14)
6200 General and administrative expenses		(101,983)	(6)	(36,396)	(3)	(172,279)	(5)	(72,162)	(3)
6300 Research and development expenses		(155,431)	(10)	(121,177)	(11)	(280,283)	(9)	(229,460)	(11)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined In order to comply with IFRS 9	12(2)	366	-	1,482	-	(561)	-	1,843	-
6000 Total operating expenses		(383,456)	(24)	(303,294)	(28)	(718,450)	(23)	(589,932)	(28)
6900 Operating profit		98,974	6	72,585	6	255,707	8	141,041	7
Non-operating income and expenses									
7100 Interest income	6(25)	484	-	440	-	728	-	1,098	-
7010 Other income	6(26)	4,985	-	8,690	1	10,028	-	10,370	-
7020 Other gains and losses	6(27)	10,185	1	(7,824)	(1)	27,001	1	64,337	3
7050 Finance costs	6(28)	(1,995)	-	(1,820)	-	(3,716)	-	(3,700)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(5)	(665)	-	(857)	-	(1,665)	-	(1,661)	-
7000 Total non-operating income and expenses		12,994	1	(1,371)	-	32,376	1	70,444	3
7900 Profit before income tax		111,968	7	71,214	6	288,083	9	211,485	10
7950 Income tax expenses	6(31)	(31,647)	(2)	(25,331)	(2)	(74,110)	(2)	(46,097)	(2)
8200 Net Income		\$ 80,321	5	\$ 45,883	4	\$ 213,973	7	\$ 165,388	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		\$ 19,017	1	(\$ 17,382)	(1)	\$ 50,548	1	(\$ 28,800)	(1)
8399 Income tax relating to the components of other comprehensive income	6(31)	(3,804)	-	3,476	-	(10,110)	-	5,760	-
8300 Other comprehensive income (loss) for the year		\$ 15,213	1	(\$ 13,906)	(1)	\$ 40,438	1	(\$ 23,040)	(1)
8500 Total Comprehensive Income		\$ 95,534	6	\$ 31,977	3	\$ 254,411	8	\$ 142,348	7
Profit attributable to:									
8610 Shareholders of the parent		\$ 80,321	5	\$ 45,883	4	\$ 213,973	7	\$ 165,388	8
Total comprehensive income (loss)									

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

attributable to:							
8710	Shareholders of the parent		\$ 95,534 6	\$ 31,977 3	\$ 254,411 8	\$ 142,348 7	
9750	Basic earnings per share	6(32)	<u>\$ 0.89</u>	<u>\$ 0.55</u>	<u>\$ 2.37</u>	<u>\$ 1.98</u>	
9850	Diluted earnings per share	6(32)	<u>\$ 0.88</u>	<u>\$ 0.52</u>	<u>\$ 2.33</u>	<u>\$ 1.85</u>	

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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								
	Notes	Share capital			Retained earnings			Financial statements translation differences of foreign operations	Total
		Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<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(23)	-	-	-	-	-	-	(23,040)	(23,040)
Total comprehensive income		-	-	-	-	-	165,388	(23,040)	142,348
Cash dividends		-	-	-	-	-	(216,954)	-	(216,954)
Share-based payments	6(19)	2,330	(708)	4,189	-	-	-	-	5,811
Compensation cost of share-based payments	6(19)	-	-	8,271	-	-	-	-	8,271
Conversion of convertible bonds		6,216	3,452	21,216	-	-	-	-	30,884
Balance at June 30, 2021		\$ 834,499	\$ 26,641	\$ 364,271	\$ 546,178	\$ 26,633	\$ 867,931	(\$ 62,015)	\$ 2,604,138
<u>Year 2022</u>									
Balance at January 1, 2022		\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627)	\$ 3,078,273
Profit		-	-	-	-	-	213,973	-	213,973
Other comprehensive income	6(23)	-	-	-	-	-	-	40,438	40,438
Total comprehensive income		-	-	-	-	-	213,973	40,438	254,411
Legal reserve		-	-	-	38,658	-	(38,658)	-	-
Special reserve		-	-	-	-	37,653	(37,653)	-	-
Cash dividends		-	-	-	-	-	(275,118)	-	(275,118)
Share-based payments	6(19)	700	5,256	2,366	-	-	-	-	8,322
Compensation cost of share-based payments	6(19)	-	-	7,004	-	-	-	-	7,004
Conversion of convertible bonds		16,496	(75,094)	58,598	-	-	-	-	-
Other changes in capital surplus		-	-	13	-	-	-	-	13
Balance at June 30, 2022		\$ 902,025	\$ 5,256	\$ 601,022	\$ 615,504	\$ 76,627	\$ 908,660	(\$ 36,189)	\$ 3,072,905

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

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

	Notes	Six Months Ended June 30	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 288,083	\$ 211,485
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(561)	(1,843)
Depreciation	6(6), (7) and (29)	46,836	46,660
Depreciation from investment Property	6(9) and (27)	248	293
Amortization	6(10) and (29)	9,827	8,426
Interest income	6(25)	(728)	(1,098)
Share of profit of associates and joint ventures accounted for under equity method	6(5)	1,665	1,661
Gain on disposal of property, plant and equipment	6(27)	-	(114)
Gain on disposal of investments	6(27)	(4)	(164)
Gain on disposal of subsidiaries	6(27)	-	(78,854)
Loss (gain) on lease modification	6(27)	-	(16)
Net gain on financial assets at fair value through profit	6(27)	-	(69)
Interest expense	6(28)	3,716	3,700
Compensation cost of share-based payments	6(19) and (30)	7,004	8,271
Unrealized profit from sales	6(5)	191	-
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		4	(268,836)
Notes receivable		4,879	(1,571)
Accounts receivable (including related parties)		(18,605)	40,678
Other receivables		(2,499)	(21,402)
Inventories		(521,727)	(644,116)
Prepayments		(13,274)	(6,259)
Other current assets		(3,651)	(3,448)
Changes in liabilities relating to operating activities			
Contract liabilities		13,414	15,607
Notes payables		(675)	4,327
Accounts payable (including related parties)		(4,423)	380,055
Other payables		(48,048)	(47,821)
Other current liabilities		(1,330)	(11,378)
Other non-current assets		(396)	(962)
Cash outflow generated from operations		(238,932)	(366,788)
Receipt of interest		633	1,249
Payment of interest		(3,658)	(1,526)
Payment of income tax		(93,925)	(30,571)
Net cash flows provided by (used in) operating activities		(335,882)	(397,636)

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

	Notes	Six Months Ended June 30	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(33)	(\$ 18,392)	(\$ 18,508)
Proceeds from disposal of property, plant and equipment		-	359
Proceeds from disposal of Investment property		-	125,027
Acquisition of intangible assets	6(10)	(9,517)	(6,361)
Increase in other non-current assets		(447)	(405)
Net cash flows provided by (used in) investing activities		(28,356)	100,112
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short -term borrowings		2,238,000	25,562
Redemption of short -term borrowings		(2,173,000)	(1,000)
Redemption of long-term borrowings		(734)	(1,398)
Proceeds from exercise of employee stock options		8,322	5,811
Payment of lease liabilities	6(7)	(19,850)	(19,199)
Proceeds from Employee Stock Ownership Trust		13	-
Net cash flows provided by (used in) financing activities		52,751	9,776
Effects due to changes in exchange rate		45,086	(26,732)
Increase (Decrease) in cash and cash equivalents		(266,401)	(314,480)
Cash and cash equivalents at beginning of year		943,871	907,789
Cash and cash equivalents at end of year		\$ 677,470	\$ 593,309

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