

Axiomtek Co., Ltd.
2021 Annual Shareholders' Meeting
Meeting Minutes
(Translation)

Meeting Time: 09:00 AM, July 5th (Monday), 2021

Meeting Venue: 8F., No.55, Nanxing Rd., Xizhi Dist., New Taipei City, Taiwan

Total outstanding shares of Axiomtek Co., Ltd.: 83,925,578 shares

Total shares represented by the shareholders present in person or by proxy (including votes casted electronically: 32,787,801): 44,047,626 shares

The number of non-voting rights: 0 shares

Percentage of outstanding share held by shareholders present in person or by proxy: 52.48%

Directors Present: Yang, Yu-Te (the Chairman of the Board of Directors),

Huang, Jui-Nan (Director)

Chang, Jen-Chih (Independent Director/Convener of Audit Committee)

Lin, Yih-Jong (Independent Director)

Attendee: None

Chairman: Yang, Yu-Te, the Chairman of the Board of Directors

Recorder: Hsu, Chin-Chuan

I. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairman's Address (omitted)

III. Reports Items

1. 2020 Business Report (Please refer to ATTACHMENT I)
2. 2020 Consent Report of Audit Committee (Please refer to ATTACHMENT II)
3. 2020 Report of Remuneration Distribution to Employees and Directors

Explanation:

- (1) Pursuant to Article 27 of the Articles of Incorporation of the Company: This Company shall set aside 1%-20% as employees' remuneration and the percentage lower than 2% as directors' remuneration if the Company has profit (means the pre-tax income before deduction of the employees' and directors' remuneration) in the current year.
- (2) The Board of Directors of the Company had approved to allocate TWD 48,010,000 as the remuneration to employees and TWD 4,365,000 as the remuneration to the Directors for the year 2020, where all remuneration shall be paid in cash. (hereinafter all monetary unit will be TWD)
- (3) The above-mentioned remuneration to employees and to Directors had been expensed for the year 2020, the amount of the expenditures is consistent with that of the remuneration allocation agreed by the Board of Directors.

(4) The proposal has passed in the Remuneration Committee Meeting and the Board of Directors.

4. 2020 Report of Profit Distribution of Cash Dividend

Explanation:

- (1) According to the 27-1 of the Article of Incorporation of the Company, 2020 profit distribution of cash dividend totaling in TWD 216,954,210, or TWD 2.6 per share. The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting. The Chairman of the Board of Directors is authorized to determine the record date, payment date and other relevant matters for the distribution of the cash dividend.
- (2) If there is any change in the number of common shares of the Company which consequently leads to a change in the dividend distribution ratio, the Chairman of the Board of Directors is authorized to adjust the dividend distribution ratio based on the actual shares outstanding on the record date for distribution.
- (3) The 2020 net income shall be distributed with higher priority this time.
- (4) Regarding the cash dividend distribution this time, the cash dividend is to be calculated to the integral number with all decimals truncated. And all the truncated decimals from all distorted figures are accumulated to a summation amount which will then be adjusted among shareholders - in the order of decimal of each cash dividend amount from big to small as well as in the order of account number from the top to the bottom - until the total amount of cash dividend actually paid out can match that in the book.

5. Revision of partial Articles in the "Rules of Procedure for Adoption of Codes of Ethical Conduct".

Explanation:

In order to comply with the articles' modifications of "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies by Public Companies", the Company hereby proposes to amend the "Rules of Procedure for Adoption of Codes of Ethical Conduct". Please refer to ATTACHMENT III for Comparison Table for Articles in the "Rules of Procedure for Adoption of Codes of Ethical Conduct" (before and after Revision).

6. The Status of the First Domestic Unsecured Convertible Corporate Bonds Conversion

Explanation:

Particulars about the issuance and conversion of the convertible corporate bonds are as follows:

- (1) The aggregate amount of issuance: The face value of each convertible corporate bond was set to be TWD 100,000 even sold at the full price where totally 4,200 convertible corporate bonds were issued this time totaling in TWD 420 million even.
- (2) Coupon rate/ yield to maturity: Annual coupon rate was set to be 0%.
- (3) Issuance period: The maturity period was set to be five years from December 13th,

2016 (the issuance date) to December 13th, 2021 (the maturity date).

- (4) Conversion status: As of March 30th, 2021, totally 1,653 of the convertible corporate bonds had been converted to 3,472,544 ordinary shares of the Company by the bondholders.

IV. Proposal and Acknowledgement

1. 2020 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanation:

- (1) 2020 Business Report and Financial Statements (including Parent Company Only and Consolidated Financial Statements) of the Company had been passed by the Audit Committee and the Board of Directors where the Financial Statements had been audited by CPA Feng, Ming-Juan and Wu, Han-Chi of PricewaterhouseCoopers Taiwan. The Audit Committee had also issued a written Consent Report incorporating 2020 Business Report, Financial Statements along with 2020 Profit Distribution.
- (2) For details, please refer to ATTACHMENT I for 2020 Business Report, ATTACHMENT IV for 2020 Independent Auditors' Report and Parent Company Only Financial Statements, and ATTACHMENT V for 2020 Independent Auditors' Report and Consolidated Financial Statements.
- (3) Please kindly acknowledge this proposal.

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention votes /no votes
44,047,626 votes	43,919,504 votes	11,863 votes	116,259 votes
100.00%	99.71%	0.03%	0.26%

2. 2020 Profit Distribution

(Proposed by the Board of Directors)

Explanation:

- (1) Please refer to ATTACHMENT VI for 2020 Profit Distribution Table.
- (2) For 2020, the beginning retained earnings of the Company is TWD 612,822,861, added remeasurement of defined benefit plans recognized in retained earnings of TWD 76,117, and unappropriated retained earnings after adjustment is TWD 612,898,978, plus 2020 net income of TWD 306,597,897, and set aside legal reserve of TWD 30,667,401, and accrue special reserve of TWD 12,341,751, the total unappropriated retained earnings is TWD 876,487,723, 2020 profit distribution of cash dividend totaling in TWD 216,954,210. The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors.

【TWD 876,487,723 =

TWD 612,822,861 + 76,117 + 306,597,897 - (306,597,897 + 76,117) x 10% - 12,341,751】

(3) The 2020 net income shall be distributed with higher priority this time.

(4) Please kindly acknowledge this proposal.

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention votes /no votes
44,047,626 votes	43,946,504 votes	31,863 votes	69,259 votes
100.00%	99.77%	0.07%	0.16%

V. Discussion and Election Items

1. Revision of partial Articles in the “Rules of Procedures for Shareholders’ Meeting” .

(Proposed by the Board of Directors)

Explanation:

(1) In order to comply with the articles’ modifications of “Sample Template for Rules of Procedure for Shareholders Meetings by Public Companies”, the Company hereby proposes to amend the “Rules of Procedure for Shareholders’ Meeting”. Please refer to ATTACHMENT VII for Comparison Table for Articles in the “Rules of Procedures for Shareholders’ Meeting” (before and after Revision).

(2) Please kindly discuss this proposal.

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention votes /no votes
44,047,626 votes	43,952,017 votes	25,864 votes	69,745 votes
100.00%	99.78%	0.06%	0.16%

2. Revision of partial Articles in the “Methods for Election of Directors” .

(Proposed by the Board of Directors)

Explanation:

(1) In order to comply with the articles’ modifications of “Sample Template for Procedures for Election of Directors”, the Company hereby proposes to amend the “Methods for Election of Directors”, and change the name from “Methods for Election of Directors” to “Procedures for Election of Directors”. Please refer to ATTACHMENT VIII for Comparison Table for Articles in the “Procedures for Election of Directors” (before and after Revision).

(2) Please kindly discuss this proposal.

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention votes /no votes
44,047,626 votes	43,940,284 votes	40,171 votes	67,171 votes
100.00%	99.76%	0.09%	0.15%

3. Re-election of All Directors.

(Proposed by the Board of Directors)

Explanation:

- (1) As the term of the current (the eleventh) Directors expires on May 28th, 2021 and the re-election of all directors shall be held in the Shareholders' Meeting this year.
- (2) According to Article 18 and Article 18-1 of the Articles of Incorporation of the Company, the Shareholders' Meeting plans to elect 7 directors (including 3 Independent Directors) with a term of 3 years. The candidate nomination system is adopted for the election of Directors and they may be eligible for re-election. The Company plans to establish the Audit Committee, which is composed of all Independent Directors, according to Article 24 of the Articles of Incorporation of the Company.
- (3) The term of newly elected Directors starts from May 28th, 2021 to May 27th, 2024. The term of the current Directors will be end until the completion of Shareholders' Meeting this year.
- (4) The Shareholders' Meeting was postponed due to the epidemic prevention instruction, and the term of Director was revised from July 5th, 2021 to July 4th, 2024.
- (5) The list of candidates for Directors (including Independent Directors) has been approved by the Nomination Committee and the Board of Directors. The names, education, experiences and relevant information of the nominees for Directors (including Independent Directors) is as follows:

Title	Name	Education	Experiences	Current Position
Director	Yang, Yu-Te	Bachelor of Electrical Engineering, Fu Jen University	Founder and General Manager of Axiomtek Co., Ltd. Manager of Advantech Co., Ltd. Automation System Unit	Chairman and Chief Strategy Officer of Axiomtek Co., Ltd.
Director	Advantech Co., Ltd. Representative Liu, Wei-Ting	Master of Business Administration, National Taiwan University Bachelor of Electrical Engineering, University of Illinois	Supervisor of Tran-Fei Development Co., Ltd.	Director of Axiomtek Co., Ltd. Investment Representative of Advantech Co., Ltd. Corporate Investment Division Chairman of ChuanTing Investment Co., Ltd. Chairman of ACI IOT Investment Fund-I

Title	Name	Education	Experiences	Current Position
				Corporation Chairman of Tran-Fei Development Co., Ltd. Chairman of Shiung-Yang Investment Corporation Director of DeNeng Scientific Research Co., Ltd. Director of Cermate Technologies Inc. Director of K&M Investment Co., Ltd. Director of CZ Investment Co., Ltd. Director of Huan Yan Water Solution Co., Ltd. Director of DotZero Co., Ltd. Director of Smasoft Technology Co., Ltd. Director of ISAP Solution Corporation Supervisor of iLink Co., Ltd. Supervisor of Advantech Intelligent Healthcare Co., Ltd.
Director	Tsai, Shih-Yang	Bachelor of Electronic Engineering, MingHsin University Bachelor of Applied Mathematics (Information Dept.), Chinese Culture University	Supervisor of Axiomtek Co., Ltd.	Director of Axiomtek Co., Ltd. Chairman of Smart Management Consulting Co., Ltd. Chairman of Fudi Investment Co., Ltd. Chairman of Junzhuang Comprehensive Development Co., Ltd. Director of Advantech Equipment Corp. Director of JAYA Networks Corp. Director of Legendaire Technology Co., Ltd. Supervisor of Winmate Inc. Adviser of Global Talentpreneur Innovation & Collaboration

Title	Name	Education	Experiences	Current Position
				Association.
Director	Huang, Jui-Nan	Master of Management Sciences, Tamkang University Bachelor of Computer Science & Information Engineering, National Taiwan University	VP of Advantech Co., Ltd. Industry Automation Business Group CEO of Cermate Technologies Inc. Independent Director of Avermedia Technologies Inc. Director of Zotech Co., Ltd.	Director and General Manager of Axiomtek Co., Ltd.
Independent Director	Lin, Yih-Jong	Bachelor of Electrical Engineering, National Cheng Kung University	Chairman of Ufi Space Co., Ltd. President and COO of Advantech Co., Ltd. Automation Business Group VP of Computer Systems Organization, HP Taiwan Chairman of Tektronix China	Independent Director of Axiomtek Co., Ltd. Chairman of Vossic Technology Co., Ltd.
Independent Director	Chang, Jen-Chih	Master of Accounting, National Chengchi University Bachelor of Accounting, National Chung Hsing University	Department Head, Department of Accounting & Statistics, Chungyu College of Business Management Department Head, National Taipei College of Business	Independent Director of Axiomtek Co., Ltd. Certified Public Accountant of Hot Tai Accounting Firm Director of Liang Guan Investment Co., Ltd.
Independent Director	Yu, Chwo-Ming	PhD in Business Administration, University of Michigan	Independent Director of Yuanta Securities Co., Ltd. Independent Director of Yuanta Bank Co., Ltd. Independent director of Advantech Co., Ltd.	Professor, Department of Business Administration, National Chengchi University. Independent Director of Yuanta Futures Co., Ltd. Member of Remuneration Committee, Advantech Co., Ltd.

(6) Please vote.

Election Results:

A. The elected Directors and the number of elected rights obtained are as follows:

Title	Shareholders' No. /ID No.	Name	Rights Obtained
Director	2	Yang, Yu-Te	49,942,633
Director	507	Advantech Co., Ltd. Representative Liu, Wei-Ting	45,514,349
Director	611	Tsai, Shih-Yang	42,943,028
Director	R1222*****	Huang, Jui-Nan	42,762,391
Independent Director	G1200*****	Lin, Yih-Jong	39,049,413
Independent Director	L1021*****	Chang, Jen-Chih	38,728,913
Independent Director	733	Yu, Chwo-Ming	38,669,910

B. The failed Directors and the number of election rights obtained: None.

4. Release of the Prohibition on Directors from Participation in Competitive Business.
(Proposed by the Board of Directors)

Explanation:

- (1) In order to comply with Article 209 of the Company Act: "A Director shall address the important contents of his conducts - acting on behalf of himself or on others within the scope of the business of the Company - to the Shareholders' Meeting while obtaining the permission from the shareholders".
- (2) In order to take advantage of the specialty and relevant experience of the Directors of the Company, hereby it is proposed – according to the provision mentioned above - to add a new clause which is to release the prohibition on directors from participation in competitive business, hereby propose for getting approval of Shareholders' Meeting.
- (3) The following Directors serve as concurrent positions in other companies are as below:

Title	Name	Concurrent Positions in Other Companies
Chairman	Yang, Yu-Te	Chairman of Axiomtek Deutschland GmbH Chairman of Axiom Technology (BVI) Co., Ltd. Chairman of Axiomtek Japan Co., Ltd. Chairman of Axiomtek UK Limited Director of Axiom Technology, Inc. U.S.A. Director of Uni-innovate Technology Co., Ltd.
Director	Advantech Co., Ltd. Representative Liu, Wei-Ting	Investment Representative of Advantech Co., Ltd. Corporate Investment Division Chairman of the following companies: ChuanTing Investment Co., Ltd. ACI IOT Investment Fund-I Corporation Tran-Fei Development Co., Ltd. Shiung-Yang Investment Corporation Director of the following companies:

Title	Name	Concurrent Positions in Other Companies
		DeNeng Scientific Research Co., Ltd. Cermate Technologies Inc. K&M Investment Co., Ltd. CZ Investment Co., Ltd. Huan Yan Water Solution Co., Ltd. DotZero Co., Ltd., Smasoft Technology Co., Ltd. ISAP Solution Corporation Supervisor of the following companies: iLink Co., Ltd. Advantech Intelligent Healthcare Co., Ltd.
Director	Tsai, Shih-Yang	Chairman of the following companies: Smart Management Consulting Co., Ltd. Fudi Investment Co., Ltd. Junzhuang Comprehensive Development Co., Ltd. Director of the following companies: Advantech Equipment Corporation JAYA Networks Corporation Legendaire Technology Co., Ltd. Supervisor of Winmate Inc. Non-profit organization Adviser of Global Talentrepreneur Innovation & Collaboration Association
Independent Director	Lin, Yih-Jong	Chairman of Vossic Technology Co., Ltd.
Independent Director	Chang, Jen-Chih	Certified Public Accountant of Hot Tai Accounting Firm Director of Liang Guan Investment Co., Ltd.
Independent Director	Yu, Chwo-Ming	Professor, Department of Business Administration, National Chengchi University Independent Director of Yuanta Futures Co., Ltd. Member of Remuneration Committee, Advantech Co., Ltd. Independent Director of Integrated Service Technology Inc. (New)

(4) Please kindly discuss this proposal.

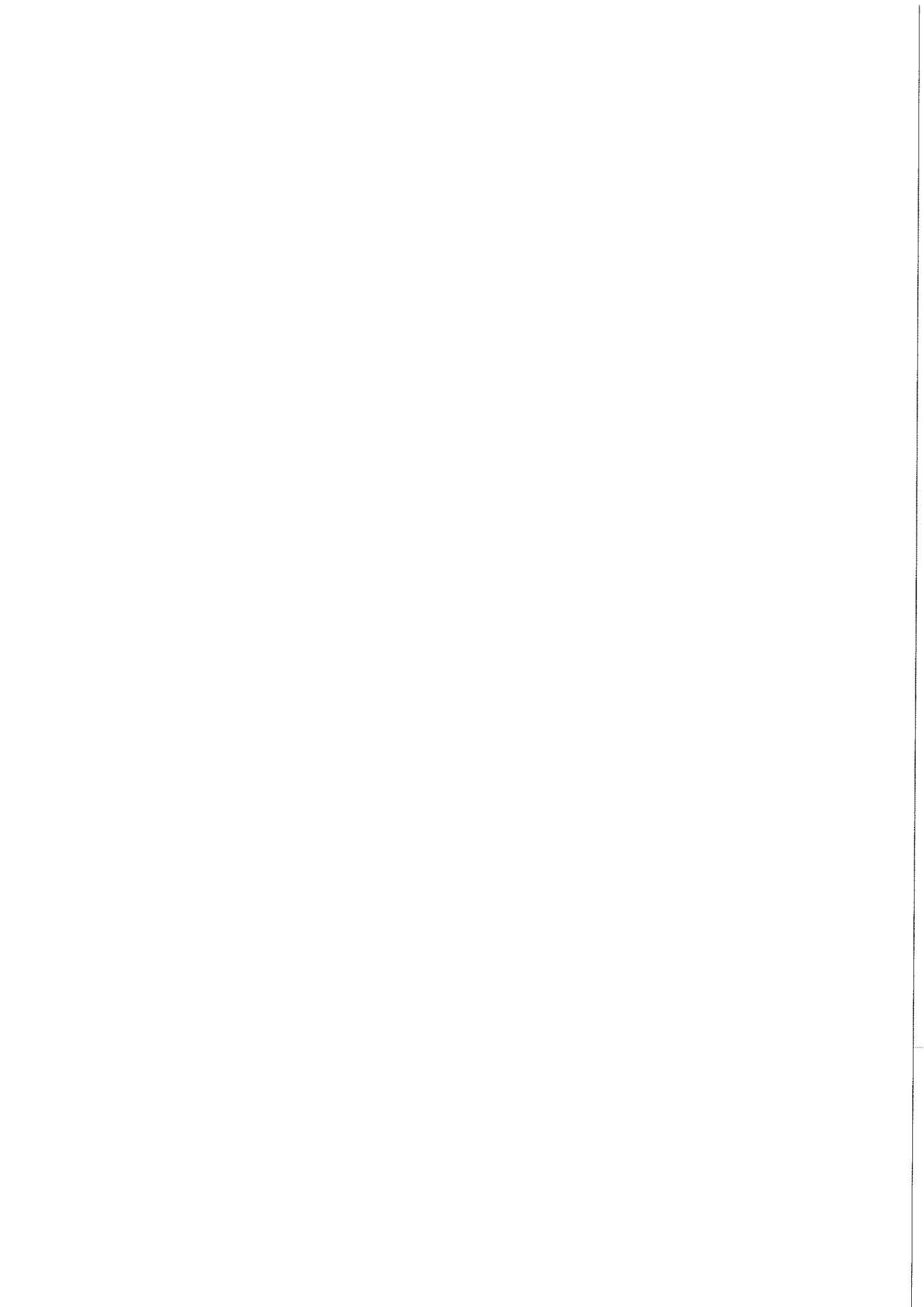
Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention votes /no votes
44,047,626 votes	43,046,595 votes	926,333 votes	74,698 votes
100.00%	97.73%	2.10%	0.17%

VI. Extemporary Motions: None.

VII. Adjournment: There was no other business and extemporary motion, the Chairman announced the meeting adjourned at 09:33 AM, July 5th (Mondy), 2021.



PART TWO – ATTACHMENTS

(ATTACHMENT I)

AXIOMTEK CO., LTD.

2020 Business Report

In 2020, the annual operating revenue of Axiomtek Co., Ltd. (hereinafter referred to as "the Company") had reached TWD 3.085 billion - a 9.46% decrease in comparison with TWD 3.407 billion in 2019.

The advancements of AI (Artificial Intelligence) and IoT (Intelligent of Things) continue to transform the entire industrial ecosystem, as manufacturing sectors are taking digitalization to the next level by developing innovative technologies for a diversity of new applications. Driven by the rise of 5G communications, technologies such as AI, IoT, computer vision, deep learning, as well as the combination of AI and IoT (Artificial Intelligence of Things, AIoT), are expected to trigger a new wave of growth momentum with numerous opportunities. The integration of computers with visual applications has now been extended into industry verticals. Combined with deep learning technology, computer vision enables practical use of video analytics solutions, allowing decision makers to perform tracking and analytical tasks based on intelligent data to improve efficiency and value chains. With the possession of key elements for future development, the Company continues to invest in industrial automation, smart transportation, smart retail, medical solutions, among other verticals, meanwhile expanding AIoT application platforms and collaborating with technology partners to build an ecosystem where both hardware and software techniques can be seamlessly integrated, laying the groundwork for a sustainable value chain.

The Company operating performance in 2020 and business plan for 2021 are illustrated as follows:

I. Operating Performance in 2020:

(I) Outcome of business plan implementation:

In 2020, out of the Company's operating revenue of TWD 3.085 billion, we generated a total net income of TWD 307 million, a total comprehensive income of TWD 294 million and after-tax earnings per share of TWD 3.73.

(II) Budget implementation:

Since the Company did not disclose the financial budget for 2020, we are not obliged to report on budgetary implementation.

(III) Financial income, expenditures and profitability:

Item		2020	2019
Financial Structure (%)	Debt to assets ratio	29.14	31.85
	Long-term capital to property, plant and equipment ratio	279.25	294.26
Solvency (%)	Current ratio	177.46	238.79
	Quick ratio	127.07	175.42
	Interest earned ratio (times)	6,210.01	7,545.19
Profitability	Return on assets (%)	8.28	12.08
	Return on equity (%)	11.72	18.57
	Income before tax to paid-in capital (%)	45.19	64.99
	Profit ratio (%)	9.94	13.51
	Earnings per share (TWD)	3.73	5.76

(IV) Research and development status:

We have developed several mid to long-term plans to execute on our strategy to develop artificial intelligence and IoT solutions:

1. Optimize automation applications by providing edge computing platforms with machine vision capabilities, incorporating core technologies across video, robotics, and AGV/AMR to provide a comprehensive suite of AIoT industrial automation solutions.
2. Focus on mission-critical smart transportation applications and IP54 Layer 2 Ethernet switch products with professional certification, build AI systems for outdoor facilities, and provide smart city solutions in collaboration with technology partners.
3. Continue to cultivate the gaming industry, smart retail, and smart medical applications, providing partners with exclusive, customized and flexible value-added services.
4. Continue to develop hardware application platforms and expand IT and OT network security supply chains for cybersecurity enhancement; meanwhile invest in new technology research and development as well as software and hardware integration with modular design.

II. Summary Business Plan for 2021:

(I) Business objective:

1. Stay focused on the integration of AI and IoT (AIoT) and the technology and products pertaining to Industrial 4.0. Continue to invest in factory automation, smart transportation, smart retail and smart energy.
2. Provide comprehensive product lines and customized service to targeted vertical application markets.

3. Establish alliances with strategic partners, integrating software and hardware to enhance product value, enabling long-term development and sustainability for the business.
4. Focus on expanding design engineering service centers, service centers overseas, foster closer relationships with customers across the global sales network and establish global sales partnerships.
5. Pay close attention to organizational development, corporate social responsibility and long-term talent development plans.

(II) Production and sales policy:

1. Introduce MES (Manufacturing Execution System) smart factory operations management and progress towards full factory automation.
2. Lay the groundwork for green product supply chain and supplier management using GPM (Green Product Management System) and SCM (Supply Chain Management) management systems for organic certification and regular supplier assessment.
3. Through the PLM (Product Lifecycle Management), global information management and communication systems, obtain data on materials, semi-finished products, inventories and future market demands, reducing inventory management costs and losses due to price reduction on slow-moving stock.

III. The Company's Development Strategy:

(I) Sales strategy:

1. Market our brand globally and focus on R&D, manufacturing and sales. Strengthen our software and hardware technology integration to equip our customers with more and diverse information.
2. Actively establish sales and technical bases, expand marketing channels and realize localized services.
3. Align our strategy and tactical execution with the sales strategies of our global Key Accounts, Domain-Focused SI, and Channel Partners, expanding our sales capability and supporting our customers in market expansion.
4. Enhance the added value of software and hardware integration in our products, replicate successful cases, shorten the timeline for customers to develop products, and create a win-win model.
5. Through cloud-based sales force programs and platforms, leverage IT technology to effectively manage customer relationships and specialized projects, and using integrated digital marketing to enhance customer experience.

(II) Product technology:

1. Industrial and embedded computing systems & touchscreen panel computers: strive for professional certification in modular design and applications for targeted verticals. Adopt

industrial aesthetic design, focus on user experience, and progress towards machine vision, AI and IoT application markets.

2. Network application hardware platforms: target IT and OT network security application markets, develop edge computing servers, remote monitoring technology IPMI and high-speed Ethernet modules, and build the infrastructure for SDN network security.
3. Gaming industry-specific computer platforms: Develop Video Mixer technology and Player Tracking System (PTS) platform for gaming machines; cultivate our vertical expertise and integration capabilities.
4. Smart retail platforms and computers: Adopt modular design to develop specialized computers, digital signage players and self-service kiosks, while also providing professional customization and system integration services.
5. Medical computers and high computing PC: Provide a certified embedded computer system platform, a high-performance medical computing platform, etc., comply with rigorous specifications, and combine with the customer's IT architecture to create a smart medical & healthcare environment.
6. Embedded boards and SoM computer modules: Continue to develop next-generation modular products and step-up Design-in customization services to explore new opportunities in related applications.

IV. The Impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions:

In the global economic environment, the coronavirus epidemic will change the business model of the world. The scale of 5G, artificial intelligence and IoT applications for vertical markets will continue to expand, while globally, longer-term infrastructural plans will be formulated to meet this trend. The Company will continue to develop its capability and capacity, focus on vertical applications markets, and build its core competitiveness on differentiation and innovation by bringing together future wireless communications, AI, IoT, machine vision, deep learning, robotics applications and other development trends. Meanwhile, the emerging waves of AIoT, Internet of everything and smart data have significantly accelerated the evolution and automation of intelligent verticals. Besides launching related products to fulfill the growing needs, the Company will put more effort in enhancing software and hardware integration capabilities, in the meantime collaborating with strategic partners to drive sales growth through a diversified product portfolio with value-added services.

Looking forward to the future, we will continue to deepen localization and deep cultivation operations, move design engineering support & service to the front line. We'll build up local Design Engineering Service (DES) team to provide exclusive services with zero-time difference; and cooperate with partners such as key accounts, domain-focused SI, channels. The Company's strong organizational structure and clear growth directives, coupled with a well-managed global presence and strong branding, is well-positioned to fuel the growth engine with more success stories.

Yang, Yu-Te, Chairman

Huang, Jui-Nan, President

Hsu, Chin-Chuan, Principal Accounting Officer

AXIOMTEK CO., LTD.

(ATTACHMENT II)

2020 Consent Report of Audit Committee

To 2021 Annual Meeting of Shareholders of
AXIOMTEK CO., LTD.

Date: February 25th, 2021

Consented by the Audit Committee, 2020 Business Report, Financial Statements and profit distribution proposals have also been resolved by the Board of Directors of the Company where the financial statements have been completely audited and subsequently a 2020 Unqualified Opinion Independent Auditors' Report has been issued by CPA Feng, Ming-Chuan and Wu, Han-Chi of PricewaterhouseCoopers Taiwan which has been entrusted by the Board of Directors.

In compliance with the provisions of relevant laws and regulations, the abovementioned 2020 Business Report, Financial Statements and Profit Distribution proposals are being reported and presented herewith for review in order to comply with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

Chang, Jen-Chih
Convener of Audit Committee
AXIOMTEK CO., LTD.

AXIOMTEK CO., LTD.

**Comparison Table for Articles in the “Rules of Procedure for
Adoption of Codes of Ethical Conduct”
(before and after Revision)**

Contents after revision	Contents before revision	Explanation
7.1.1 Shall be perform the duties in an objective and efficient manner and avoid taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, or relatives with the second degree of kinship.	7.1.1 Shall be perform the duties in an objective and efficient manner and avoid taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, <u>parents,</u> <u>children,</u> or relatives with the second degree of kinship.	Act in connection with the articles' modifications of 『Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies』 and amendment of word.
7.7 Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employs to report to the Company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system <u>and allow anonymous reporting</u> and make employees aware that the Company will use its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.	7.7 Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employs to report to the Company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of <u>information</u> and protect them from reprisals.	

(ATTACHMENT IV)

2020 Independent Auditors' Report
(Parent Company Only Financial Statements)

To the Board of Directors and Shareholders of
AXIOMTEK CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of AXIOMTEK CO., LTD. (hereinafter referred to as "Axiomtek" or "the Company") as at December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in order to comply with the Regulations Governing the Preparations of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in order to comply with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in order to comply with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in order to comply with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2020 are stated as follows:

Cut off of Operating Revenue

Description

Please refer to Note 4(31) for accounting policy on revenue recognition and Note 6(20) for details of operating revenue.

The Company's operating revenue mainly comes from the manufacture and sale of finished products, and is mainly for export. The operating revenue for export is based on the transaction conditions with customers as the basis for revenue recognition. Different customers have different transaction conditions and revenue recognition procedures. Involving manual judgment by management, for sales transactions before and after the balance sheet date, it is necessary to confirm whether the significant risks and rewards related to the ownership of the goods have been transferred to the customer. Therefore, there is a risk of improper timing of revenue recognition. We considered the cut off of operating revenue as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understood and assessed the effectiveness of the internal control of Axiomtek's operating revenue and perform the test of the effectiveness of internal controls over shipping and billing.
2. For the details of the export income transaction details for a specific period before and after the balance sheet date, confirm its completeness and perform a cut-off test by random inspection, including confirmation of transaction conditions, verification of relevant supporting documents, and confirmation that sales revenue has been recorded in an appropriate period.

Allowance for Inventory Valuation Losses

Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and Note 6(3) for details of inventories. As at December 31, 2020, the Company's inventories and allowance for inventory valuation losses amounted to NT\$474,145 thousand and NT\$42,800 thousand, respectively.

The Company is primarily engaged in the research and development, manufacturing and sales of industrial computer products. Due to rapid technological innovation and fluctuations in market prices, the Company recognizes inventories at the lower of cost and net realizable value, and the net realizable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value for individually obsolete or damaged inventories is subject to management's judgment, we considered

the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Ensured consistent application of Company's accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, validated the appropriateness of system logic of inventory aging report utilized by management to ensure proper classification of inventories aged over a certain period of time and reperformed the calculation.
3. Discussed with management the net realizable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents, and agreed to information obtained from physical inventory.

Other Matter- Audit by the Other Independent Accountants

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to NT \$225,960 thousand and NT \$209,511 thousand, constituting 6.08% and 5.50% of total assets as of December 31, 2020 and 2019, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to NT\$14,207 thousand and NT\$15,668 thousand, constituting 4.83% and 3.61% of total comprehensive income for the years ended December 31, 2020 and 2019, respectively. The financial statements of these investments accounted for under the equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in order to comply with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in order to comply with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in order to comply with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the Parent Company Only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Feng, Ming-Chuan

Wu, Han-Chi

for and on behalf of PricewaterhouseCoopers, Taiwan February 25, 2021

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 667,964	18	\$ 652,040	17
1150	Notes receivable	6(2) and 12(2)	2,948	-	6,681	-
1170	Accounts receivable	6(2) and 12(2)	76,643	2	191,031	5
1180	Accounts receivable – related parties	6(2),7 and 12(2)	272,299	8	342,402	9
1200	Other receivables		11,345	-	15,013	1
1210	Other receivables – related parties	7	84,350	2	47,434	1
1220	Current income tax assets		703	-	-	-
130X	Inventories	6(3)	431,345	12	444,363	12
1410	Prepayments		11,590	-	9,069	-
1470	Other current assets		770	-	596	-
11XX	Total current assets		<u>1,559,957</u>	<u>42</u>	<u>1,708,629</u>	<u>45</u>
Non-current assets						
1550	Investments accounted for under equity method	6(4)	946,692	26	846,829	22
1600	Property, plant and equipment	6(5) and 8	1,016,340	27	1,052,023	28
1755	Use rights assets	6(6)	31,716	1	47,297	1
1760	Investment property	6(8)	85,193	2	86,241	2
1780	Intangible assets	6(9)	21,236	1	17,912	1
1840	Deferred income tax assets	6(27)	50,913	1	47,949	1
1920	Refundable deposits		5,087	-	4,298	-
15XX	Total non-current assets		<u>2,157,177</u>	<u>58</u>	<u>2,102,549</u>	<u>55</u>
1XXX	Total Assets		<u>\$ 3,717,134</u>	<u>100</u>	<u>\$ 3,811,178</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6(10)	\$ -	-	\$ 102,000	3
2130	Contract liabilities - current	6(20)	29,684	1	17,597	1
2150	Notes payables		997	-	675	-
2170	Accounts payable		221,384	6	282,255	7
2180	Accounts payable – related parties	7	7,398	-	13,614	-
2200	Other payables	6(11)	238,859	7	233,401	6
2230	Current income tax liabilities	6(27)	75,605	2	47,586	1
2280	Lease liabilities-current portion		14,571	-	16,249	1
2310	Advance receipts		12,816	-	471	-
2320	Current portion of long-term borrowings	6(13)	275,884	8	-	-
2399	Other current liabilities		1,830	-	1,678	-
21XX	Total current liabilities		<u>879,028</u>	<u>24</u>	<u>715,526</u>	<u>19</u>
Non-current liabilities						
2530	Bonds payable	6(13)	-	-	319,618	8
2560	Income tax liabilities- non current		15,423	-	-	-
2570	Deferred income tax liabilities	6(27)	126,713	3	101,350	3
2580	Lease liabilities-non current		17,565	1	31,573	1
2640	Accrued pension liabilities	6(14)	43,864	1	45,109	1
2645	Guarantee deposit received		763	-	603	-
25XX	Total non-current liabilities		<u>204,328</u>	<u>5</u>	<u>498,253</u>	<u>13</u>
2XXX	Total liabilities		<u>1,083,356</u>	<u>29</u>	<u>1,213,779</u>	<u>32</u>
Equity attributable to shareholders of the parent						
Share capital						
3110	Ordinary shares	6(16)	825,953	22	803,954	21
3140	Advance receipts for share capital	6(16)	23,897	1	60,957	2
Capital surplus						
3200	Capital surplus	6(17)	330,595	8	245,919	7
Retained earnings						
3310	Legal reserve	6(18)	546,178	15	500,481	13
3320	Special reserve		26,633	1	4,231	-
3350	Unappropriated retained earnings		919,497	25	1,008,490	26
Other equity						
3400	Other equity	6(19)	(38,975)	(1)	(26,633)	(1)
3XXX	Total equity		<u>2,633,778</u>	<u>71</u>	<u>2,597,399</u>	<u>68</u>
Significant commitment and contingent item						
9						
Significant events after the balance sheet date						
11						
3X2X	Total Liabilities and Equity		<u>\$ 3,717,134</u>	<u>100</u>	<u>\$ 3,811,178</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Items	Notes	Year ended December 31			
		2020		2019	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 3,084,802	100	\$ 3,407,144	100
5000 Operating costs	6(3), (25) and (26)	(2,158,795)	(70)	(2,330,229)	(68)
5900 Gross profit		926,007	30	1,076,915	32
5910 Unrealized gain from sale	6(4)	(87,278)	(3)	(86,299)	(2)
5920 Realized gain from sale		86,299	3	73,004	2
5950 Net gross profit		925,028	30	1,063,620	32
Operating expenses	6(25) and (26)				
6100 Selling expenses		(99,841)	(3)	(121,977)	(4)
6200 General and administrative expenses		(118,660)	(4)	(101,934)	(3)
6300 Research and development expenses		(420,549)	(14)	(451,471)	(13)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	140	-	(120)	-
6000 Total operating expenses		(638,910)	(21)	(675,502)	(20)
6900 Operating profit		286,118	9	388,118	12
Non-operating income and expenses					
7100 Interest income	6(21) and 7	7,127	-	11,638	-
7010 Other income	6(22)	15,982	-	10,137	-
7020 Other gains and losses	6(23)	(44,730)	(1)	83,794	3
7050 Finance costs	6(24)	(6,286)	-	(7,550)	-
7070 Share of profit of associates and joint ventures accounted for under equity method	6(4)	125,864	4	75,975	2
7000 Total non-operating income and expenses		97,957	3	173,994	5
7900 Profit before income tax		384,075	12	562,112	17
7950 Income tax expenses	6(27)	(77,477)	(2)	(101,657)	(3)
8200 Net Income		\$ 306,598	10	\$ 460,455	14
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plan	6(14)	\$ 95	-	(\$ 4,354)	-
8349 Income tax relating to components of other comprehensive income	6(27)	(19)	-	871	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(15,427)	-	(28,003)	(1)
8399 Income tax relating to the components of other comprehensive income	6(27)	3,085	-	5,600	-
8300 Other comprehensive income (loss) for the year		(\$ 12,266)	-	(\$ 25,886)	(1)
8500 Total Comprehensive Income		\$ 294,332	10	\$ 434,569	13
9750 Basic earnings per share	6(28)	\$	3.73	\$	5.76
9850 Diluted earnings per share	6(28)	\$	3.43	\$	5.18

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Share capital		Retained earnings				Other equity		Total equity
		Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		
Year 2019										
Balance at January 1, 2019		\$ 796,206	\$ 1,039	\$ 214,960	\$ 459,789	\$ 12,914	\$ 882,311	\$ 4,230	\$ 2,362,989	
Profit for the year		-	-	-	-	-	460,455	-	460,455	
Other comprehensive income (loss) for the year		-	-	-	-	-	(3,483)	(22,403)	(25,886)	
Total comprehensive income		-	-	-	-	-	456,972	(22,403)	434,569	
Appropriations of 2018 earnings		-	-	-	-	-	-	-	-	
Legal reserve	6(19)	-	-	-	40,692	-	(40,692)	-	-	
Reversal of special reserve	6(19)	-	-	-	-	(8,683)	8,683	-	-	
Cash dividends	6(19)	-	-	-	-	-	(298,784)	-	(298,784)	
Share-based payments		1,760	(128)	1,990	-	-	-	-	3,622	
Compensation cost of share-based payments	6(16)	-	-	-	-	-	-	-	-	
Conversion of convertible bonds		5,988	60,046	10,345	-	-	-	-	10,345	
Balance at December 31, 2019	6(2)	\$ 803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	\$ 26,633	\$ 2,597,399	
Year 2020										
Balance at January 1, 2020		\$ 803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	\$ 26,633	\$ 2,597,399	
Profit for the year		-	-	-	-	-	306,598	-	306,598	
Other comprehensive income (loss) for the year		-	-	-	-	-	76	(12,342)	(12,266)	
Total comprehensive income		-	-	-	-	-	306,674	(12,342)	294,332	
Appropriations of 2019 earnings		-	-	-	-	-	-	-	-	
Legal reserve	6(19)	-	-	-	45,697	-	(45,697)	-	-	
Special reserve		-	-	-	-	22,402	(22,402)	-	-	
Cash dividends	6(19)	-	-	-	-	-	(327,568)	-	(327,568)	
Share-based payments		3,850	1,552	7,605	-	-	-	-	13,007	
Compensation cost of share-based payments		-	-	7,814	-	-	-	-	7,814	
Conversion of convertible bonds	6(16)	18,149	(38,612)	69,257	-	-	-	-	48,794	
Balance at December 31, 2020		\$ 825,953	\$ 23,897	\$ 330,595	\$ 546,178	\$ 26,633	\$ 919,497	\$ 38,975	\$ 2,633,778	

The accompanying notes are an integral part of the parent company only financial statements.

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Years ended December 31	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 384,075	\$ 562,112
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5), (6) and (25)	69,806	64,292
Depreciation from investment Property	6(8) and (23)	1,048	2,528
Amortization	6(9) and (25)	7,798	8,188
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(140)	120
Net gain on financial assets or liabilities at fair value through profit or loss	6(12) and (23)	-	(2,763)
Interest expense	6(24)	6,286	7,550
Interest income	6(21)	(7,127)	(11,638)
Compensation cost of share-based payments	6(15) and (26)	6,236	8,520
Share of profit of associates and joint ventures accounted for under equity method	6(4)	(125,864)	(75,975)
Loss (gain) on disposal of property, plant and equipment	6(23)	(167)	(48)
Gain on disposal of investments	6(23)	(204)	(305)
Gain on disposal of investment assets	6(23)	-	(100,677)
Impairment loss on investments accounted for using equity method	6(23)	9,596	-
Unrealized profit from sales		979	13,295
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		204	305
Notes receivable		3,733	3,827
Accounts receivable (including related parties)		184,631	7,099
Other receivables (including related parties)		4,314	7,784
Inventories		13,018	66,293
Prepayments		(2,521)	6,189
Other current assets		(174)	(125)
Changes in liabilities relating to operating activities			
Contract liabilities		12,087	(3,800)
Notes payables		322	-
Accounts payable (including related parties)		(67,087)	(261,754)
Other payables		4,857	(18,200)
Advance receipts		12,345	(1,564)
Other current assets		152	158
Accrued pension liabilities		(1,150)	(990)
Cash inflow generated from operations		517,053	280,421
Receipt of interest		8,274	11,417
Payment of interest		(1,241)	(1,030)
Payment of income tax		(9,273)	(172,022)
Net cash flows provided by operating activities		<u>514,813</u>	<u>118,786</u>

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Years ended December 31	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(4)	\$ -	(\$ 89,819)
Other receivables (including related parties)		(37,131)	37,932
Proceeds from disposal of investments for under equity method	6(29)	(19,446)	(36,539)
Proceeds from disposal of property, plant and equipment		171	48
Proceeds from disposal of investment properties		-	151,728
Acquisition of intangible assets	6(9)	(9,387)	(3,757)
Increase in refundable deposits		(217)	(513)
Net cash flows provided by (used in) investing activities		(66,010)	59,080
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short -term borrowings		963,000	553,000
Redemption of short -term borrowings		(1,065,000)	(504,000)
Increase (decrease) in refundable deposits		160	(299)
Payment of cash dividends	6(18)	(327,568)	(298,784)
Proceeds from exercise of employee stock options	6(15)	13,007	3,622
Repayment of lease principal		(16,478)	(14,182)
Net cash flows provided by (used in) financing activities		(432,879)	(260,643)
Increase (Decrease) in cash and cash equivalents		15,924	(82,777)
Cash and cash equivalents at beginning of year		652,040	734,817
Cash and cash equivalents at end of year		\$ 667,964	\$ 652,040

The accompanying notes are an integral part of the parent company only financial statements.

(ATTACHMENT V)

2020 Independent Auditors' Report

(Consolidated Financial Statements)

To the Board of Directors and Shareholders of
AXIOMTEK CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of AXIOMTEK CO., LTD. and its subsidiaries (hereinafter referred to as “the Group”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended In order to comply with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in order to comply with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the Independent Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group In order to comply with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (hereinafter referred to as the “Code”), and we have fulfilled our other ethical responsibilities in order to comply with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the Consolidated Financial Statements for the year ended December 31, 2020 are stated as follows:

Cut-off of Operating Revenue

Description

Please refer to Note 4(32) for accounting policy on revenue recognition and Note 6(22) for details of operating revenue.

The Group's operating revenue mainly comes from the manufacture and sale of finished products, and is mainly for export. The operating revenue for export is based on the transaction conditions with customers as the basis for revenue recognition. Different customers have different transaction conditions and revenue recognition procedures. Involving manual judgment by management, for sales transactions before and after the balance sheet date, it is necessary to confirm whether the significant risks and rewards related to the ownership of the goods have been transferred to the customer. Therefore, there is a risk of improper timing of revenue recognition. We considered the cut off of operating revenue as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understood and assessed the effectiveness of internal controls over cutoff of the Group's operating revenue and tested the effectiveness of internal controls over shipping and billing.
2. Checked the completeness and performed cutoff tests on a random basis on the export sales details in a certain period around balance sheet date, which includes checking the terms and conditions of transaction, verifying against supporting documents, and checking whether inventory changes records and sales cost had been recognized in the proper period.

Allowance for Inventory Valuation Losses

Description

Please refer to Note 4(12) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and Note 6(3) for details of inventories. As at December 31, 2020, the Group's inventories and allowance for inventory valuation losses amounted to NT\$869,741 thousand and NT\$50,900 thousand, respectively.

The Group is primarily engaged in the research and development, manufacturing and sales of industrial

computers products. Due to rapid technological innovation and fluctuations in market prices, the Group recognizes inventories at the lower of cost and net realizable value, and the net realizable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value for individually obsolete or damaged inventories is subject to management's judgment, we consider allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Ensured consistent application of Group's accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, validated the appropriateness of system logic of inventory aging report utilized by management to ensure proper classification of inventories aged over a certain period of time and reperformed the calculation.
3. Discussed with management the net realizable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents, and agreed to information obtained from physical inventory.

Other Matter – Audits of Other Independent Accountants

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$357,925 thousand and NT\$258,775 thousand, constituting 8.85% and 6.29% of consolidated total assets as of December 31, 2020 and 2019, respectively, and operating revenue of NT\$517,111 and NT\$591,102 thousand, constituting 11.23% and 12.47% of consolidated total operating revenue for the years ended December 31, 2020 and 2019, respectively. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the accounts included in the financial statements relative to these subsidiaries, is based solely on the audit reports of the other independent accountants.

Other Matter – Parent Company Only Financial Reports

We have audited and expressed an unqualified opinion on the Parent Company Only Financial Statements of AXIOMTEK CO., LTD. as of and for the years ended December 31, 2020 and 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements

In order to comply with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in order to comply with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in order to comply with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Feng, Ming-Chuan

Wu, Han-Chi

for and on behalf of PricewaterhouseCoopers, Taiwan February 25, 2021

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 907,789	23	\$ 882,732	22
1150	Notes receivable	6(2) and 12(2)	18,824	1	16,679	-
1170	Accounts receivable	6(2) and 12(2)	702,733	17	662,185	16
1180	Accounts receivable – related parties	6(2) and 12(2)	-	-	52	-
1200	Other receivables		11,360	-	15,127	-
1220	Current income tax assets		1,381	-	827	-
130X	Inventories	6(3)	818,841	20	946,661	23
1410	Prepayments		37,904	1	24,839	1
1470	Other current assets		2,615	-	2,816	-
11XX	Total current assets		2,501,447	62	2,551,918	62
Non-current assets						
1550	Investments accounted for under equity method	6(4)	25,945	1	27,570	1
1600	Property, plant and equipment	6(5) and 8	1,144,409	28	1,178,845	29
1755	Right-of-use assets	6(6)	98,458	2	78,424	2
1760	Investment property	6(8)	85,193	2	86,241	2
1780	Intangible assets	6(9) and (10)	113,714	3	125,710	3
1840	Deferred income tax assets	6(29)	65,210	2	59,597	1
1990	Other non-current assets		9,141	-	8,747	-
15XX	Total non-current assets		1,542,070	38	1,565,134	38
1XXX	Total Assets		\$ 4,043,517	100	\$ 4,117,052	100

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$-	-	\$ 102,000	2
2130	Contract liabilities - current	6(22)	37,249	1	23,601	1
2150	Notes payables		997	-	675	-
2170	Accounts payable		318,697	8	397,432	10
2180	Accounts payable – related parties	7	4,640	-	5,075	-
2200	Other payables	6(12)	325,696	8	313,651	8
2230	Current income tax liabilities		81,882	2	54,355	1
2250	Provisions for liabilities - current		939	-	896	-
2280	Current lease liabilities		31,834	1	37,237	1
2320	Current portion of long-term borrowings	6(14) (15)	278,732	7	2,998	-
2399	Other current liabilities		19,475	-	12,010	-
21XX	Total current liabilities		<u>1,100,141</u>	<u>27</u>	<u>949,930</u>	<u>23</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	-	-	319,618	8
2540	Long-term borrowings	6(15) and 8	38,685	1	43,721	1
2560	Non-current income tax liabilities		15,423	1	-	-
2570	Deferred income tax liabilities	6(29)	131,848	3	109,166	3
2580	Non-current lease liabilities		68,468	2	42,001	1
2600	Other non-current liabilities		55,174	1	55,217	1
25XX	Total non-current liabilities		<u>309,598</u>	<u>8</u>	<u>569,723</u>	<u>14</u>
2XXX	Total liabilities		<u>1,409,739</u>	<u>35</u>	<u>1,519,653</u>	<u>37</u>
Equity attributable to shareholders of the parent						
Share capital						
3110	Ordinary shares	6(18)	825,953	20	803,954	20
3140	Advance receipts for share capital	6(18)	23,897	1	60,957	1
Capital surplus						
3200	Capital surplus	6(19)	330,595	8	245,919	6
Retained earnings						
3310	Legal reserve	6(20)	546,178	13	500,481	12
3320	Special reserve		26,633	1	4,231	-
3350	Unappropriated retained earnings		919,497	23	1,008,490	25
Other equity						
3400	Other equity	6(21)	(38,975)	(1)	(26,633)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>2,633,778</u>	<u>65</u>	<u>2,597,399</u>	<u>63</u>
3XXX	Total equity		<u>2,633,778</u>	<u>65</u>	<u>2,597,399</u>	<u>63</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total Liabilities and Equity	11	<u>\$4,043,517</u>	<u>100</u>	<u>\$4,117,052</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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2020		2019	
		Amount	%	Amount	%
4000 Operating revenue	6(22)	\$4,602,779	100	\$4,738,911	100
5000 Operating costs	6(3)(27)(28) and 7	(3,052,024)	(66)	(3,045,427)	(64)
5900 Gross profit		1,550,755	34	1,693,484	36
5910 Unrealized gain from sale	6(4)	(57)	-	(36)	-
5920 Realized gain from sale		36	-	-	-
5950 Net operating margin		1,550,734	34	1,693,448	36
Operating expenses	6(27) (28)				
6100 Selling expenses		(594,948)	(13)	(623,480)	(13)
6200 General and administrative expenses		(126,519)	(3)	(115,174)	(2)
6300 Research and development expenses		(422,620)	(9)	(453,968)	(10)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(2,696)	-	(1,991)	-
6000 Total operating expenses		(1,146,783)	(25)	(1,194,613)	(25)
6900 Operating profit		403,951	9	498,835	11
Non-operating income and expenses					
7100 Interest income	6(23)	5,853	-	10,657	-
7010 Other income	6(24)	60,462	1	15,342	-
7020 Other gains and losses	6(25)	(46,679)	(1)	84,273	2
7050 Finance costs	6(26)	(9,481)	-	(11,263)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(4)	(1,604)	-	(1,427)	-
Total non-operating income and expenses		8,551	-	97,582	2
7000 Profit before income tax	6(29)	412,502	9	596,417	13
7900 Income tax expenses		(105,904)	(3)	(135,962)	(3)
7950 Net Income		\$306,598	6	\$460,455	10
8200 Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plan	6(16)	\$95	-	(\$4,354)	-
8349 Income tax relating to components of other comprehensive income	6(29)	(19)	-	871	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(15,427)	-	(28,003)	(1)
8399 Income tax relating to the components of other comprehensive income	6(29)	3,085	-	5,600	-
8300 Other comprehensive income (loss) for the year		(\$12,266)	-	(\$25,886)	(1)
8500 Total Comprehensive Income		\$294,332	6	\$434,569	9
Profit attributable to:					
8610 Shareholders of the parent		\$306,598	6	\$460,455	10
Total comprehensive income (loss) attributable to:					
8710 Shareholders of the parent		\$294,332	6	\$434,569	9
9750 Basic earnings per share	6(30)	\$ 3.73		\$ 5.76	
9850 Diluted earnings per share	6(30)	\$ 3.43		\$ 5.18	

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to shareholders of the parent						
		Share capital			Retained Earnings			Other Equity Interest
Notes	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total
Year 2019								
	Balance at January 1, 2019	\$1,039	\$214,960	\$459,789	\$12,914	\$882,311	\$(4,230)	\$2,362,989
	Profit for the year	-	-	-	-	460,455	-	460,455
	Other comprehensive income (loss) for the year	-	-	-	-	(3,483)	(22,403)	(25,886)
	Total comprehensive income	-	-	-	-	456,972	(22,403)	434,569
6(21)	Appropriations of 2018 earnings	-	-	-	-	-	-	-
	Legal reserve	-	-	40,692	-	(40,692)	-	-
	Special reserve	-	-	-	(8,683)	8,683	-	-
	Cash dividends	-	-	-	-	(298,784)	-	(298,784)
	Share-based payments	1,760	(128)	1,990	-	-	-	3,622
6(18)	Compensation cost of share-based payments	-	-	10,345	-	-	-	10,345
	Conversion of convertible bonds	5,988	60,046	18,624	-	-	-	84,658
	Balance at December 31, 2019	\$803,954	\$245,919	\$500,481	\$4,231	\$1,008,490	\$(26,633)	\$2,597,399
Year 2020								
	Balance at January 1, 2020	\$803,954	\$245,919	\$500,481	\$4,231	\$1,008,490	\$(26,633)	\$2,597,399
	Profit for the year	-	-	-	-	306,598	-	306,598
	Other comprehensive income (loss) for the year	-	-	-	-	76	(12,342)	12,266
6(22)	Total comprehensive income	-	-	-	-	306,674	(12,342)	294,332
	Appropriations of 2019 earnings	-	-	-	-	-	-	-
6(21)	Legal reserve	-	-	45,697	-	(45,697)	-	-
	Special reserve	-	-	-	22,402	(22,402)	-	-
6(21)	Cash dividends	-	-	-	-	(327,568)	-	(327,568)
	Share-based payments	3,850	1,552	7,605	-	-	-	13,007
6(18)	Compensation cost of share-based payments	-	-	7,814	-	-	-	7,814
	Conversion of convertible bonds	18,149	(38,612)	69,257	-	-	-	48,794
	Balance at December 31, 2020	\$825,953	\$330,595	\$546,178	\$26,633	\$919,497	\$(38,975)	\$2,597,399

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$412,502	\$596,417
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	2,696	1,991
Depreciation	6(5)(6)(27)	104,224	93,764
Depreciation from investment Property	6(8) (25)	1,048	2,528
Amortization	6(9) (27)	13,339	13,919
Interest income	6(23)	(5,853)	(10,657)
Share of profit of associates and joint ventures accounted for under equity method	6(4)	1,604	1,427
Loss (gain) on disposal of property, plant and equipment	6(25)	(143)	(34)
Gain on disposal of investments	6(25)	(204)	(305)
Gain on disposal of subsidiaries	6(25)	-	(100,677)
Gain on lease modification		(17)	(35)
Net gain on financial liability at fair value through profit	6(25)	-	(2,763)
Interest expense	6(26)	9,481	11,263
Compensation cost of share-based payments	6(17) (28)	7,814	10,345
Impairment loss on goodwill	6(9)(10)(28)	9,596	-
Unrealized profit from sales		21	36
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		204	305
Notes receivable		(2,145)	4,417
Accounts receivable (including related parties)		(42,968)	(31,684)
Other receivables		2,620	5,980
Inventories		127,882	(37,283)
Prepayments		(13,065)	5,630
Other current assets		201	(616)
Changes in liabilities relating to operating activities			
Contract liabilities		13,648	(10,921)
Notes payables		322	-
Accounts payable (including related parties)		(79,170)	(234,628)
Other payables		11,487	(15,890)
Other current liabilities		7,465	2,995
Other non-current assets		(108)	(691)
Cash inflow generated from operations		582,481	304,833
Receipt of interest		6,999	10,436
Payment of interest		(4,436)	(4,744)
Payment of income tax		(43,548)	(203,415)
Net cash flows provided by operating activities		541,496	107,110

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Net cash flow from acquisition of subsidiaries	6(31)	\$-	\$(37,485)
Acquisition of property, plant and equipment	6(32)	(33,356)	(40,767)
Proceeds from disposal of property, plant and equipment		174	48
Proceeds from disposal of Investment property		-	151,728
Acquisition of intangible assets	6(9)	(10,301)	(3,757)
Increase in other non-current assets		178	(1,213)
Net cash flows provided by (used in) investing activities		(43,305)	68,554
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Redemption of short -term borrowings		(1,065,000)	(504,000)
Proceeds from short -term borrowings		963,000	553,000
Redemption of long-term borrowings		(2,953)	(3,086)
Payment of cash dividends	6(20)	(327,568)	(298,784)
Proceeds from exercise of employee stock options		13,007	3,622
Increase (decrease) in refundable deposits		160	(299)
Payment of lease liabilities		(43,011)	(36,221)
Net cash flows provided by (used in) financing activities		(462,365)	(285,768)
Effects due to changes in exchange rate		(10,769)	(26,164)
Increase (Decrease) in cash and cash equivalents		25,057	(136,268)
Cash and cash equivalents at beginning of year		882,732	1,019,000
Cash and cash equivalents at end of year		\$907,789	\$882,732

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

(ATTACHMENT VI)

AXIOMTEK CO., LTD.

2020 Profit Distribution Table

Unit : TWD

Item	Amount	
	Sub-total	Total
Unappropriated retained earnings at the beginning of the term		612,822,861
Remeasurement of defined benefit plans recognized in retained earnings	76,117	
Adjusted unappropriated retained earnings		612,898,978
2020 Net income	306,597,897	
10% set aside as legal reserve	(30,667,401)	
Special reserves	(12,341,751)	
Total unappropriated retained earnings		876,487,723
Distributable item:		
Shareholders' dividend – cash (\$2.6 per share)		(216,954,210)
Unappropriated retained earnings at the end of the term		659,533,513

Note: The 2020 net income shall be distributed with higher priority this time.

Chairman : Yang, Yu-Te

President : Huang, Jui-Nan

Principal Accounting Officer : Hsu, Chin-Chuan

AXIOMTEK CO., LTD.

**Comparison Table for Articles in the “Rules of Procedures for Shareholders’ Meeting”
(before and after Revision)**

Contents after revision	Contents before revision	Explanation
<p>Article 3 Unless otherwise provided by law or regulation, the Company’s Shareholders’ Meeting shall be convened by the Board of Directors. The Company shall make including the Shareholders’ Meeting notice, proxy form, approval proposal, discussion proposal, election or discharge Directors and so on (a regular meeting of shareholders prior within 30 days or special meeting of shareholders prior 15 days) as electronic forms upload to MOPS. And the amendment of the meeting shall be made as electronic files and upload to MOPS (a regular meeting of shareholders prior within 21 days or special meeting of shareholders prior 15 days). Before the 15 days of the Shareholders’ Meeting, the Company shall well prepare the Shareholders Meeting’s handbook and the amendment to be put in the place of professional stock transfer agency authorized by the Company and reviewed by each shareholder anytime and shall grant to shareholders in the place of the meeting. The reasons for convening a Shareholders’ Meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company,</p>	<p>Article 3 Unless otherwise provided by law or regulation, the Company’s Shareholders’ Meeting shall be convened by the Board of Directors. The Company shall make including the Shareholders’ Meeting notice, proxy form, approval proposal, discussion proposal, election or discharge Directors and so on (a regular meeting of shareholders prior within 30 days or special meeting of shareholders prior 15 days) as electronic forms upload to MOPS. And the amendment of the meeting shall be made as electronic files and upload to MOPS (a regular meeting of shareholders prior within 21 days or special meeting of shareholders prior 15 days). Before the 15 days of the Shareholders’ Meeting, the Company shall well prepare the Shareholders Meeting’s handbook and the amendment to be put in the place of professional stock transfer agency authorized by the Company and reviewed by each shareholder anytime and shall grant to shareholders in the place of the meeting. The reasons for convening a Shareholders’ Meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company,</p>	<p>Act in connection with the articles’ modifications of “XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”</p>

Contents after revision	Contents before revision	Explanation
<p>approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of <u>Company Act</u>, Article 26-1, Article 43-6 of <u>Securities and Exchange Act</u>, Article 56-1 and Article 60-2 of <u>Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.</p> <p>The convening of the Shareholders' Meeting has stated the full re-election of directors and the date of appointment. After the re-election of the Shareholders' Meeting is completed, the same meeting may not change its appointment date by provisional motion or other means. A shareholder holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular Shareholders' Meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. <u>In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit a proposed proposal for urging the Company to promote public interests or fulfill its social responsibilities, and it is limited to one only in accordance with the relevant provisions of Article 172-1 of Company Act, and no proposal containing more than one item will be</u></p>	<p>approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 <u>hereof</u> shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</u></p> <p>The convening of the Shareholders' Meeting has stated the full re-election of directors and the date of appointment. After the re-election of the Shareholders' Meeting is completed, the same meeting may not change its appointment date by provisional motion or other means. A shareholder holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular Shareholders' Meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. <u>However, the shareholders' proposal is a proposal to urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. And the proposal issued by shareholder should be pursuant to Article 172-1 of the Company Act, any proposal with regards to the Item 4 of Article 172-1 of the Company act will not be discussed for the motion.</u></p>	

Contents after revision	Contents before revision	Explanation
<p>included in the meeting agenda. (Omitted below)</p>	<p>(Omitted below)</p>	
<p>Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sing-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time <u>and announce relevant information such as the number of non-voting rights and the number of shares in attendance.</u> (Omitted below)</p>	<p>Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sing-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. (Omitted below)</p>	
<p>Article 14 The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, <u>including the list of elected Directors and the number of elected rights, and the list of failed Directors and the number of election rights obtained.</u> (Omitted below)</p>	<p>Article 14 The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately. (Omitted below)</p>	
<p>Article 20 The amendment was made on May 28, 2021.</p>	<p>Article 20 The amendment was made on May 28, 2020</p>	

AXIOMTEK CO., LTD.

**Comparison Table for Articles in the “Methods for Election of Directors”
(before and after Revision)**

Contents after revision	Contents before revision	Explanation
Procedures for Election of Directors	Method for Election of Directors	Act in connection with the articles' modifications of "XXX Co., Ltd. Procedures for Election of Directors and Supervisors" and amendment of word.
Article 1 To ensure a just, fair, and open election of Directors, these Procedures are adopted pursuant to Articles 21 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."	Article 1 To ensure a just, fair, and open election of Directors <u>and Supervisors</u> , these Procedures are adopted pursuant to Articles 21 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."	
Article 5 Elections of Directors at the Company shall be in order to comply with the procedures for the nomination of candidates in order to comply with Article 192-1 of the Company Act. (Omitted below)	Article 5 Elections of Directors (<u>including Independent Directors</u>) at the Company shall be in order to comply with the procedures for the nomination of candidates in order to comply with Article 192-1 of the Company Act and <u>Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"</u> . (Omitted below)	
Article 6 The cumulative voting method shall be used for election of the Directors at the Company. Each share will have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or split among multiple candidates.	Article 6 The cumulative voting method shall be used for election of the Directors at the Company. Each share will have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or split among multiple candidates. <u>The election of Directors at the Company, shareholder may exercise the right by choosing the way of electronic or cast the vote.</u> <u>Shareholder shall exercise the vote right in the electronic platform assigned by the Company as executing election right stated in preceding paragraph.</u> <u>The election of the Company's Independent Directors is used candidate nominate system.</u>	

Contents after revision	Contents before revision	Explanation
	<u>independent and non-Independent Directors elected at the same time, but in separately calculated numbers.</u>	
<p>Article 7 The Board of Directors shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	<p>Article 7 The Board of Directors shall prepare separate ballots for Directors <u>and Supervisors</u> in numbers corresponding to the Directors <u>or Supervisors</u> to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. <u>The ballots will not be printed if shareholder use the way of electronic election.</u></p>	
<p>Article 8 The number of Directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p>Article 8 The number of Directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. <u>The voting right stated in the preceding paragraph will be calculated with electronic and cast vote in the Shareholders' Meeting.</u> <u>The results of the preceding vouchers shall be determined by the shareholders who meet the requirements of Article 44 of the Rules of Shareholders before the Shareholders' Meeting, confirm the identity of the shareholders and vote and complete the statistical verification.</u></p>	

Contents after revision	Contents before revision	Explanation
(Delete)	<p>Article 10 <u>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</u></p>	
<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the <u>convener</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. <u>A cross-check shows that the candidate's name and list of director candidates do not match.</u> <p>5. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>Article 11 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the <u>Board of Directors</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u> 5. Other words or marks are entered in addition to <u>the candidate's account name or shareholder account number (or identity card number)</u> and the number of voting rights allotted. 6. <u>The name of the candidate entered</u> 	

Contents after revision	Contents before revision	Explanation
	<p><u>in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p>	
<p>Article 11 The voting rights shall be calculated on site immediately under the supervision of vote monitoring after the end of the poll. The results of the calculation, including the list of persons elected as Directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p>	<p>Article 12 The voting rights shall be calculated on site immediately under the supervision of vote monitoring after the end of the poll. The results of the calculation, including the list of persons elected as Directors <u>or Supervisors</u> and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p>	
<p>Article 12 <u>The Board of Directors of the Company will issue a notice of election to the elected director.</u></p>		
<p>Article 14 The <u>Procedures</u> was amended on May 28, 2021.</p>	<p>Article 14 The <u>Method</u> was amended on May 28, 2020.</p>	

