



Axiomtek Co., Ltd.
2022 Annual Shareholders' Meeting
Meeting Minutes
(Translation)

Meeting Time: 09:00 AM, May 24th (Tuesday), 2022

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

Meeting Method: Physical Shareholders Meeting

Total outstanding shares of Axiomtek Co., Ltd.: 90,262,484 shares

Total shares represented by the shareholders present in person or by proxy (including votes casted electronically: 42,827,934): 49,700,292 shares

The number of non-voting rights: 0 shares

Percentage of outstanding share held by shareholders present in person or by proxy: 55.06%

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

Liu, Wei-Ting (Director), Tsai Shih-Yang (Director), Huang, Jui-Nan (Director)

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

Yu, Chwo-Ming (Independent Director)

There were 6 Directors present, more than half of the 7 Directors.

Attendee: Ms. Feng Ming-Chuan/CPA, PricewaterhouseCoopers

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. 2021 Business Report (Please refer to ATTACHMENT I)
2. 2021 Consent Report of Audit Committee (Please refer to ATTACHMENT II)
3. 2021 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 44,7550,000 as the remuneration to employees and TWD 4,633,000 as the remuneration to the Directors for the year 2021, 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 2021, the amount of the expenditures is consistent with that of the

remuneration allocation agreed by the Board of Directors.

- (4) The proposal has been approved by the Remuneration Committee and passed by the resolution of the Board of Directors.

4. 2021 Report of Profit Distribution of Cash Dividend

Explanation:

- (1) According to the 27-1 of the Article of Incorporation of the Company, the Board of Directors is authorized to distribute dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the 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.
 - (2) 2021 profit distribution of cash dividend totaling in TWD 275,117,576, or TWD 3.05 per share. 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.
 - (3) 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.
 - (4) The 2021 net income shall be distributed with higher priority this time.
 - (5) 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. 2021 Report of Remuneration Paid to Directors.

Explanation:

1. According to the Company's profitability, the investment and contribution of each director to the Company's affairs, the Chairman of the board will propose a remuneration proposal, which will be approved by the Remuneration Committee and passed by the Board of Directors.
 2. Information on Directors' remuneration, including remuneration policy, content and amount of individual remuneration, etc., please refer to ATTACHMENT III.
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: Conversion status: As of December 13th, 2021, totally 4,177 of the convertible corporate bonds had been converted to 9,316,450 common shares of the Company by the bondholders. There were totally 23 of the convertible corporate bonds due but not been converted, and the principal of TWD 2,300,000 was repaid in cash on December 24th, 2021.

IV. Proposal and Acknowledgement

1. 2021 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanation:

- (1) 2021 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 2021 Business Report, Financial Statements along with 2021 Profit Distribution.
- (2) For details, please refer to ATTACHMENT I for 2021 Business Report, ATTACHMENT IV for 2021 Independent Auditors' Report and Parent Company Only Financial Statements, and ATTACHMENT V for 2021 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
49,700,292 votes	47,165,885 votes	8,379 votes	2,526,028 votes
100.00%	94.90%	0.02%	5.08%

2. 2021 Profit Distribution

(Proposed by the Board of Directors)

Explanation:

- (1) Please refer to ATTACHMENT VI for 2021 Profit Distribution Table.
- (2) For 2021, the beginning retained earnings of the Company is TWD 659,533,513, less remeasurement of defined benefit plans recognized in retained earnings of TWD 4,332,593, and unappropriated retained earnings after adjustment is TWD 655,200,920, plus 2021 net income of TWD 390,914,946, and set aside legal reserve of TWD 38,658,235, and accrue special reserve of TWD 37,652,256, the total unappropriated retained earnings is TWD 969,805,375, 2021 profit distribution of cash dividend totaling in TWD 275,117,576. 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.

$$\text{【 TWD } 969,805,375 = \text{ TWD } 659,533,513 - 4,332,593 + 390,914,946 - (390,914,946 - 4,332,593) \times 10\% - 37,652,256 \text{】}$$

- (3) The 2021 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
49,700,292 votes	47,217,804 votes	8,479 votes	2,474,009 votes
100.00%	95.01%	0.02%	4.97%

V. Discussion Items

1. Revision of partial Articles in the “Operating Procedures for Acquisition and Disposal of Assets” .

(Proposed by the Board of Directors)

Explanation:

- (1) In order to comply with the articles’ modifications of “Operating Procedures for Acquisition and Disposal of Assets by Public Companies”, the Company hereby proposes to amend the “Operating Procedures for Acquisition and Disposal of Assets”. Please refer to ATTACHMENT VII for Comparison Table for Articles in the “Operating Procedures for Acquisition and Disposal of Assets” (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
49,700,292 votes	47,148,192 votes	48,379 votes	2,503,721 votes
100.00%	94.87%	0.10%	5.03%

2. 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
Director	Tsai, Shih-Yang	Chairman of Smart Management Consulting Co., Ltd. Chairman of Fudi Investment Co., Ltd. Chairman of Junzhuang Comprehensive Development Co., Ltd. Director of JAYA Networks Corp. Director of Legendaire Technology Co., Ltd. Supervisor of Winmate Inc. Chief Consultant of Global Talentrepreneur Innovation & Collaboration Association. (New) Supervisor of Advantech Equipment Corp. (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
49,700,292 votes	45,907,101 votes	1,295,570 votes	2,497,621 votes
100.00%	92.37%	2.61%	5.02%

VI. Extemporary Motions: None.

VII. Adjournment: There was no other business and extemporary motion, the Chairman announced the meeting adjourned at 09:20 AM, May 24th (Tuesday), 2022.

PART TWO – ATTACHMENTS

(ATTACHMENT I)

AXIOMTEK CO., LTD.

2021 Business Report

In 2021, the annual operating revenue of Axiomtek Co., Ltd. (hereinafter referred to as "the Company") had reached TWD 3.664 billion - a 18.77% increase in comparison with TWD 3.085 billion in 2020.

With the trend of AI artificial intelligence, edge computing, machine vision deep learning, Internet of Things, blockchain, and 5G innovative application, digital transformation and industrial horizontal and vertical integration and diversified development have become inevitable. The new generation of industrial transformation will bring about the growth of global business, improve production efficiency and value chain for vertical industries such as smart manufacturing, smart city, retail, energy, and healthcare. These new technologies will accelerate innovation, improve people's life, and lead enterprises towards the next wave of growth momentum. The company will continue to develop the edge computing platform, cooperate with technology partners to build an ecosystem where both hardware and software techniques, and plan for the sustainable development of enterprises. The Company operating performance in 2021 and business plan for 2022 are illustrated as follows:

I. Operating Performance in 2021:

(I) Outcome of business plan implementation:

In 2021, out of the Company's operating revenue of TWD 3.664 billion, we generated a total net income of TWD 391 million, a total comprehensive income of TWD 349 million and after-tax earnings per share of TWD 4.57.

(II) Budget implementation:

Since the Company did not disclose the financial budget for 2021, we are not obliged to report on budgetary implementation.

(III) Financial income, expenditures and profitability:

Item		2021	2020
Financial Structure (%)	Debt to assets ratio	36.69	29.14
	Long-term capital to property, plant and equipment ratio	214.36	279.25
Solvency (%)	Current ratio	136.71	177.46
	Quick ratio	74.75	127.07
	Interest earned ratio (times)	11,946.13	6,210.01
Profitability	Return on assets (%)	9.19	8.28
	Return on equity (%)	13.69	11.72
	Income before tax to paid-in capital (%)	49.12	45.19
	Profit ratio (%)	10.67	9.94
	Earnings per share (TWD)	4.57	3.73

(IV) Research and development status:

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

1. Optimize automation applications by providing edge computing platforms with machine vision capabilities, incorporating core technologies across vision, video, and autonomous robotics to provide a comprehensive suite of AIoT(Artificial Intelligence of Things) industrial automation solutions.
2. Develop dedicated edge computing systems for outdoor facilities, obtain professional certification, and provide smart city, intelligent transportation, smart energy solutions in collaboration with technology partners.
3. Continue to cultivate the smart retail, smart medical, and gaming industry, 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 2022:

(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 energy, transportation, medical, and smart retail.

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. Set up Axiomtek European Headquarters and 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 ESG (environment, social, and governance) mission, 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 European Headquarters, global 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. Edge Computing Platforms: 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, smart energy, autonomous robotics, 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(Intelligent Platform Management Interface) and high-speed Ethernet modules, and build the infrastructure for SDN(Software-Defined Networking) network security.
3. 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.
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. 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.
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 IoT, and edge computing 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, the Company will continue to deepen localization and deep cultivation operations, move design engineering support & service to the front line. The Company will 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, and Channel Partners. The Company's strong organizational structure and clear development directives, coupled with a well-managed global presence and strong branding, is well-positioned to fuel the growth engine and drive the growth of the Company's profitability and revenue.

Yang, Yu-Te, Chairman

Huang, Jui-Nan, President

Hsu, Chin-Chuan,
Principal Accounting Officer

AXIOMTEK CO., LTD.

(ATTACHMENT II)

2021 Consent Report of Audit Committee

To 2022 Annual Meeting of Shareholders of
AXIOMTEK CO., LTD.

Date: February 25th, 2022

Consented by the Audit Committee, 2021 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 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 2021 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.

(ATTACHMENT III)

Unit: Thousand shares/NT\$ Thousand

Title	Name	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10)		Remuneration from ventures other than subsidiaries or from the parent company (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)						
		The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements (Note 7)	
Chairman	Yang, Yu-Te	0	0	0	0	1,041	1,041	45	45	0.28%	0.28%	6,589	6,589	0	0	0	0	0	0	1.96%	1.96%	None
Director	Advantech Co., Ltd.	0	0	0	0	558	558	0	0	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
	Representative: Liu, Wei-Ting	0	0	0	0	0	0	45	45	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	None
Director	Tsai, Shih-Yang	0	0	0	0	558	558	45	45	0.15%	0.15%	0	0	0	0	0	0	0	0	0.15%	0.15%	None
Director	Huang, Jui-Nan	0	0	0	0	558	558	45	45	0.15%	0.15%	7,145	7,145	108	108	0	0	0	0	2.01%	2.01%	None
Independent Director	Lin, Yih-Jong	0	0	0	0	649	649	45	45	0.18%	0.18%	0	0	0	0	0	0	0	0	0.18%	0.18%	None
Independent Director	Chang, Jen-Chih	0	0	0	0	634	634	45	45	0.17%	0.17%	0	0	0	0	0	0	0	0	0.17%	0.17%	None
Independent Director	Yu, Chwo-Ming (Note 13)	0	0	0	0	309	309	25	25	0.09%	0.09%	0	0	0	0	0	0	0	0	0.09%	0.09%	None
Independent Director	Shon, Zheng-Yi (Note 14)	0	0	0	0	324	324	20	20	0.09%	0.09%	0	0	0	0	0	0	0	0	0.09%	0.09%	None

- The policies, systems, standards, and structure of Independent Directors' remuneration, and describe the correlation with the amount of remuneration according to the responsibilities, risks, and investment time:
The Company mainly distributes the remuneration of directors in accordance with the "Operating Procedures for Performance Evaluation of Board of Directors" and "Directors' Remuneration Distribution Method". According to Articles of Incorporation, if the Company is profitable in the current year (means the Pre-tax Income before deduction of the employees' and Directors' compensation) in the current year. Directors' payout should be no more than 2%. The remuneration of directors in the preceding paragraphs only can receive the profit in the form of cash. The proportion and amount of directors' remuneration allocation each year are proposed by the Remuneration Committee based on the Company's operating performance, business risks, development trends and reference to industry standards, and 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. The distribution of remuneration for directors and independent directors is first based on the directors' attendance at the shareholders' meeting, the degree of participation in the Company's operations, and the evaluation of the value of their contribution. The distribution of reasonable remuneration is given priority, and the weighted calculation is based on the content of positions and functional committee members. In general, directors' remuneration is evaluated according to the performance of the responsibilities, risks, and time invested, and the rationality of the remuneration has been evaluated by the Nomination Committee, reviewed by the Remuneration Committee, and passed by the Board of Directors. Relevant laws and regulations review the remuneration system in a timely manner to implement corporate governance, and expect to make the distribution of remuneration for directors transparent, rational and institutionalized.
- Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all the companies in the financial report in the most recent year (such as serving as a non-employee consultant for the parent company, all companies and investment enterprises in the consolidated financial statements): TWD\$0
- Severance Pay is the contribute labor pension funds paid on a monthly basis according to the law.

Note 1: The names of Directors shall be listed separately (the institutional shareholder and its representative should be illustrated separately), and Directors and Independent Directors shall be listed separately, and the various payment amounts shall be disclosed in a collective manner.

Note 2: Refers to remuneration in the past year for the Directors (including Director's salaries, additional fees, severance pay, various bonuses, incentive payouts etc.)

Note 3: Director's remuneration for the past year, approved by the Board.

Note 4: Director's operating expenses in the past year (includes transportation, special fees, various allowances, lodging, allotted vehicles, other amenities etc.) In the case of the provision of housing, cars and other means of transport or exclusive payments, the nature and cost of the assets provided, rental at actual or at a fair market price, fuel and other payments should be disclosed. Where a driver is assigned, include the payment made by the Company that is not already included in the remuneration.

Note 5: Remuneration for Directors who are also employees (includes Presidents, Vice Presidents, other managers, and employees) including salaries, job add-on, severance pay, various bonuses, incentive payouts, transportation expenses, special skills fees, various allowances, lodging, allotted vehicles and other amenities. In the case of the provision of housing, cars and other means of transport or exclusive payments, the nature and cost of the assets provided, rental at actual or at a fair market price, fuel and other payments should be disclosed. Where a driver is assigned, include the payment made by the Company that is not already included in the remuneration. Per IFRS 2 the salary expenses recognized in the "Share-based payment", including the acquisition of employee stock option certificates, restricted shares, and participation in cash increase subscription shares, shall also be included in the remuneration.

Note 6: Past year's remuneration (including stock and cash) approved by the Board of Directors to Directors also serving as employees (includes the President, Vice Presidents, other managers, and employees). If an estimate is not available, compute using the previous year's actual payouts and complete Table 1-3.

Note 7: All categories of remuneration paid to the Directors by the companies (including this Company) listed in the consolidated report, must be disclosed.

Note 8: Total remuneration paid to each Director must be disclosed in the appropriate range against the Name of Director.

Note 9: All categories of remuneration paid to the Directors by the companies (including this Company) listed in the consolidated report, must be disclosed in the appropriate range against the Name of Director.

Note 10: Net profit after tax refers to the past year's net profit after tax. Per the international financial reporting standards, net profit after tax refers to the net profit after tax of the parent company or individual companies in the past year.

Note 11: a. State clearly the remuneration amount paid to the Director by reinvested businesses other than subsidiary or parent company (Fill in "None" if not in the case).

b. if the Director has received remuneration from reinvested businesses other than subsidiary or parent company, please specify the amount received in the relevant ranges tabled and denote these as "Parent company and all reinvested businesses".

c. Remuneration here refers to any fees, compensation (including the remuneration for employees, Directors, and supervisors) and reimbursement for expenses incurred while executing their duties in the appointments held by Directors, supervisors or Presidents in reinvested businesses other than subsidiary or parent company.

Note 12: The Company established the Audit Committee on June 3, 2015 to replace the role of the supervisor.

Note 13: Newly elected on July 5, 2021.

Note 14: Resigned on July 5, 2021.

* The remuneration disclosed in the table differs from the concept of income defined according to Income Tax Law, therefore, the table is for the purpose of information disclosure instead of tax levy.

(ATTACHMENT IV)

2021 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021

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

(I) 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, 2021, the Company's inventories and allowance for inventory valuation losses amounted to NT\$991,383 thousand and NT\$49,000 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

(II) 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 \$211,830 thousand and NT \$225,960 thousand, constituting 4.36% and 6.08% of total assets as of December 31, 2021 and 2020, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to NT\$9,581 thousand and NT\$14,207 thousand, constituting 2.75% and 4.83% of total comprehensive income for the years ended December 31, 2021 and 2020, 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.

(III)

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, 2022

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 607,232	12	\$ 667,964	18
1150	Notes receivable	6(2) and 12(2)	5,566	-	2,948	-
1170	Accounts receivable	6(2) and 12(2)	124,776	3	76,643	2
1180	Accounts receivable – related parties	6(2),7 and 12(2)	385,570	8	272,299	8
1200	Other receivables		29,774	1	11,345	-
1210	Other receivables – related parties	7	-	-	84,350	2
1220	Current income tax assets		46	-	703	-
130X	Inventories	6(3)	942,383	19	431,345	12
1410	Prepayments		13,896	-	11,590	-
1470	Other current assets		595	-	770	-
11XX	Total current assets		<u>2,109,838</u>	<u>43</u>	<u>1,559,957</u>	<u>42</u>
Non-current assets						
1550	Investments accounted for under equity method	6(4)	1,048,731	22	946,692	26
1600	Property, plant and equipment	6(5)	1,548,362	32	1,016,340	27
1755	Use rights assets	6(6)	22,680	-	31,716	1
1760	Investment property	6(8)	38,479	1	85,193	2
1780	Intangible assets	6(9)	27,891	1	21,236	1
1840	Deferred income tax assets	6(27)	60,791	1	50,913	1
1920	Refundable deposits		5,575	-	5,087	-
15XX	Total non-current assets		<u>2,752,509</u>	<u>57</u>	<u>2,157,177</u>	<u>58</u>
1XXX	Total Assets		<u>\$ 4,862,347</u>	<u>100</u>	<u>\$ 3,717,134</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 374,000	8	\$ -	-
2130	Contract liabilities - current	6(20)	76,162	2	29,684	1
2150	Notes payables		675	-	997	-
2170	Accounts payable		681,480	14	221,384	6
2180	Accounts payable – related parties	7	11,348	-	7,398	-
2200	Other payables	6(11)	288,208	6	238,859	7
2230	Current income tax liabilities		93,353	2	75,605	2
2280	Lease liabilities-current portion		15,799	-	14,571	-
2310	Advance receipts		84	-	12,816	-
2320	Current portion of long-term borrowings	6(13)	-	-	275,884	8
2399	Other current liabilities		2,207	-	1,830	-
21XX	Total current liabilities		<u>1,543,316</u>	<u>32</u>	<u>879,028</u>	<u>24</u>
Non-current liabilities						
2560	Income tax liabilities- non current		30,677	1	15,423	-
2570	Deferred income tax liabilities	6(27)	155,892	3	126,713	3
2580	Lease liabilities-non current		6,968	-	17,565	1
2640	Accrued pension liabilities	6(14)	46,458	1	43,864	1
2645	Guarantee deposit received		763	-	763	-
25XX	Total non-current liabilities		<u>240,758</u>	<u>5</u>	<u>204,328</u>	<u>5</u>
2XXX	Total liabilities		<u>1,784,074</u>	<u>37</u>	<u>1,083,356</u>	<u>29</u>
Equity attributable to shareholders of the parent						
Share capital						
3110	Ordinary shares	6(16)	884,829	18	825,953	22
3140	Advance receipts for share capital	6(16)	75,094	2	23,897	1
Capital surplus						
3200	Capital surplus	6(17)	533,041	11	330,595	8
Retained earnings						
3310	Legal reserve	6(18)	576,846	12	546,178	15
3320	Special reserve		38,974	1	26,633	1
3350	Unappropriated retained earnings		1,046,116	21	919,497	25
Other equity						
3400	Other equity	6(19)	(76,627)	(2)	(38,975)	(1)
3XXX	Total equity		<u>3,078,273</u>	<u>63</u>	<u>2,633,778</u>	<u>71</u>
Significant commitment and contingent item						
		9				
Significant events after the balance sheet date						
		11				
3X2X	Total Liabilities and Equity		<u>\$ 4,862,347</u>	<u>100</u>	<u>\$ 3,717,134</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, 2021 AND 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Items	Notes	Year ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 3,663,800	100	\$ 3,084,802	100
5000 Operating costs	6(3), (25) and (26)	(2,686,465)	(73)	(2,158,795)	(70)
5900 Gross profit		977,335	27	926,007	30
5910 Unrealized gain from sale	6(4)	(81,600)	(2)	(87,278)	(3)
5920 Realized gain from sale		87,278	2	86,299	3
5950 Net gross profit		983,013	27	925,028	30
Operating expenses	6(25) and (26)				
6100 Selling expenses		(94,773)	(3)	(99,841)	(3)
6200 General and administrative expenses		(154,088)	(4)	(118,660)	(4)
6300 Research and development expenses		(485,292)	(13)	(420,549)	(14)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(3)	-	140	-
6000 Total operating expenses		(734,156)	(20)	(638,910)	(21)
6900 Operating profit		248,857	7	286,118	9
Non-operating income and expenses					
7100 Interest income	6(21) and 7	2,203	-	7,127	-
7010 Other income	6(22)	12,921	-	15,982	-
7020 Other gains and losses	6(23)	66,904	2	(44,730)	(1)
7050 Finance costs	6(24)	(3,980)	-	(6,286)	-
7070 Share of profit of associates and joint ventures accounted for under equity method	6(4)	144,571	4	125,864	4
7000 Total non-operating income and expenses		222,619	6	97,957	3
7900 Profit before income tax		471,476	13	384,075	12
7950 Income tax expenses	6(27)	(80,561)	(2)	(77,477)	(2)
8200 Net Income		\$ 390,915	11	\$ 306,598	10
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)	(\$ 3,986)	-	\$ 95	-
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(4)	(1,144)	-	-	-
8349 Income tax relating to components of other comprehensive income	6(27)	797	-	(19)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(47,065)	(1)	(15,427)	-
8399 Income tax relating to the components of other comprehensive income	6(27)	9,413	-	3,085	-
8300 Other comprehensive income (loss) for the year		(\$ 41,985)	(1)	(\$ 12,266)	-
8500 Total Comprehensive Income		\$ 348,930	10	\$ 294,332	10
9750 Basic earnings per share	6(28)	\$ 4.57		\$ 3.73	
9850 Diluted earnings per share	6(28)	\$ 4.30		\$ 3.43	

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, 2021 AND 2020
(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	
<u>Year 2020</u>									
Balance at January 1, 2020		\$ 803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	(\$ 26,633)	\$ 2,597,399
Profit 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(18)	-	-	-	45,697	-	(45,697)	-	-
Reversal of special reserve	6(18)	-	-	-	-	22,402	(22,402)	-	-
Cash dividends	6(18)	-	-	-	-	-	(327,568)	-	(327,568)
Share-based payments		3,850	1,552	7,605	-	-	-	-	13,007
Compensation cost of share-based payments	6(15)	-	-	7,814	-	-	-	-	7,814
Conversion of convertible bonds		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
<u>Year 2021</u>									
Balance at January 1, 2021		\$ 825,953	\$ 23,897	\$ 330,595	\$ 546,178	\$ 26,633	\$ 919,497	(\$ 38,975)	\$ 2,633,778
Profit for the year		-	-	-	-	-	390,915	-	390,915
Other comprehensive income (loss) for the year		-	-	-	-	-	(4,333)	(37,652)	(41,985)
Total comprehensive income		-	-	-	-	-	386,582	(37,652)	348,930
Appropriations of 2020 earnings									
Legal reserve	6(18)	-	-	-	30,668	-	(30,668)	-	-
Special reserve	6(18)	-	-	-	-	12,341	(12,341)	-	-
Cash dividends	6(18)	-	-	-	-	-	(216,954)	-	(216,954)
Share-based payments		6,690	(2,463)	15,655	-	-	-	-	19,882
Compensation cost of share-based payments	6(15)	-	-	16,023	-	-	-	-	16,023
Conversion of convertible bonds		52,186	53,660	170,768	-	-	-	-	276,614
Balance at December 31, 2021		\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627)	\$ 3,078,273

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, 2021 AND 2020
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Years ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 471,476	\$ 384,075
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5), (6) and (25)	62,179	69,806
Depreciation from investment Property	6(8) and (23)	541	1,048
Amortization	6(9) and (25)	12,049	7,798
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	3	(140)
Interest expense	6(24)	3,980	6,286
Interest income	6(21)	(2,203)	(7,127)
Compensation cost of share-based payments	6(15) and (26)	12,912	6,236
Share of profit of associates and joint ventures accounted for under equity method	6(4)	(144,571)	(125,864)
Loss (gain) on disposal of property, plant and equipment	6(23)	(120)	(167)
Gain on disposal of investments	6(23)	(295)	(204)
Gain on disposal of investment assets	6(23)	(78,854)	-
Impairment loss on investments accounted for using equity method	6(23)	-	9,596
Unrealized profit from sales		(5,678)	979
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		295	204
Notes receivable		(2,618)	3,733
Accounts receivable (including related parties)		(161,407)	184,631
Other receivables (including related parties)		(15,469)	4,314
Inventories		(511,038)	13,018
Prepayments		(2,306)	(2,521)
Other current assets		175	(174)
Changes in liabilities relating to operating activities			
Contract liabilities		46,478	12,087
Notes payables		(322)	322
Accounts payable (including related parties)		464,046	(67,087)
Other payables		45,374	4,857
Advance receipts		-	12,345
Other current assets		(12,354)	152
Accrued pension liabilities		(1,392)	(1,150)
Cash inflow generated from operations		180,881	517,053
Receipt of interest		2,352	8,274
Payment of interest		(874)	(1,241)
Payment of income tax		(17,390)	(9,273)
Net cash flows provided by operating activities		<u>164,969</u>	<u>514,813</u>

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Years ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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)

2021 Independent Auditors' Report

(Consolidated Financial Statements)

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, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 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(23) 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, 2021, the Group's inventories and allowance for inventory valuation losses amounted to NT\$1,573,137 thousand and NT\$61,653 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

(IV) 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\$303,234 thousand and NT\$357,925 thousand, constituting 5.68% and 8.85% of consolidated total assets as of December 31, 2021 and 2020, respectively, and operating revenue of NT\$417,138 and NT\$517,111 thousand, constituting 8.23% and 11.23% of consolidated total operating revenue for the years ended December 31, 2021 and 2020, 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, 2021 and 2020.

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, 2022

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 943,871	18	\$ 907,789	23
1150	Notes receivable	6(2) and 12(2)	19,898	-	18,824	1
1170	Accounts receivable	6(2) and 12(2)	745,599	14	702,733	17
1200	Other receivables		29,785	1	11,360	-
1220	Current income tax assets		401	-	1,381	-
130X	Inventories	6(3)	1,511,484	28	818,841	20
1410	Prepayments		23,221	-	37,904	1
1470	Other current assets		834	-	2,615	-
11XX	Total current assets		<u>3,275,093</u>	<u>61</u>	<u>2,501,447</u>	<u>62</u>
Non-current assets						
1550	Investments accounted for under equity method	6(4)	20,982	1	25,945	1
1600	Property, plant and equipment	6(5) and 8	1,670,465	31	1,144,409	28
1755	Right-of-use assets	6(6)	127,737	2	98,458	2
1760	Investment property	6(8)	38,479	1	85,193	2
1780	Intangible assets	6(9)(10)	114,769	2	113,714	3
1840	Deferred income tax assets	6(30)	78,938	2	65,210	2
1990	Other non-current assets		9,228	-	9,141	-
15XX	Total non-current assets		<u>2,060,598</u>	<u>39</u>	<u>1,542,070</u>	<u>38</u>
1XXX	Total Assets		<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,043,517</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 374,000	7	\$ -	-
2130	Contract liabilities - current	6(23)	92,336	2	37,249	1
2150	Notes payables		675	-	997	-
2170	Accounts payable	6(14)	828,310	15	318,697	8
2180	Accounts payable – related parties	7	6,813	-	4,640	-
2200	Other payables	6(12)	419,448	8	325,696	8
2230	Current income tax liabilities		94,855	2	81,882	2
2250	Provisions for liabilities - current		1,152	-	939	-
2280	Current lease liabilities		37,570	1	31,834	1
2320	Current portion of long-term borrowings	6(15)(16)	1,411	-	278,732	7
2399	Other current liabilities		6,963	-	19,475	-
21XX	Total current liabilities		<u>1,863,533</u>	<u>35</u>	<u>1,100,141</u>	<u>27</u>
Non-current liabilities						
2540	Long-term borrowings	6(16) and 8	53,606	1	38,685	1
2560	Non-current income tax liabilities		30,677	-	15,423	1
2570	Deferred income tax liabilities	6(30)	160,410	3	131,848	3
2580	Non-current lease liabilities		92,880	2	68,468	2
2600	Other non-current liabilities	6(17)	56,312	1	55,174	1
25XX	Total non-current liabilities		<u>393,885</u>	<u>7</u>	<u>309,598</u>	<u>8</u>
2XXX	Total liabilities		<u>2,257,418</u>	<u>42</u>	<u>1,409,739</u>	<u>35</u>
Equity attributable to shareholders of the parent						
Share capital						
3110	Ordinary shares	6(19)	884,829	17	825,953	20
3140	Advance receipts for share capital		75,094	1	23,897	1
Capital surplus						
3200	Capital surplus	6(20)	533,041	10	330,595	8
Retained earnings						
3310	Legal reserve	6(21)	576,846	11	546,178	13
3320	Special reserve		38,974	1	26,633	1
3350	Unappropriated retained earnings		1,046,116	20	919,497	23
Other equity						
3400	Other equity	6(22)	(76,627)	(2)	(38,975)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>3,078,273</u>	<u>58</u>	<u>2,633,778</u>	<u>65</u>
3XXX	Total equity		<u>3,078,273</u>	<u>58</u>	<u>2,633,778</u>	<u>65</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant after the balance sheet date						
3X2X	Total Liabilities and Equity	11	<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,043,517</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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(23)	\$ 5,069,606	100	\$ 4,602,779	100
5000 Operating costs	6(3)(28) (29) and 7	(3,368,611)	(67)	(3,052,024)	(66)
5900 Gross profit		1,700,995	33	1,550,755	34
5910 Unrealized gain from sale	6(4)	(20)	-	(57)	-
5920 Realized gain from sale		57	-	36	-
5950 Net operating margin		1,701,032	33	1,550,734	34
Operating expenses	6(28)(29)				
6100 Selling expenses		(638,299)	(12)	(594,948)	(13)
6200 General and administrative expenses		(161,830)	(3)	(126,519)	(3)
6300 Research and development expenses		(488,175)	(10)	(422,620)	(9)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	4,278	-	(2,696)	-
6000 Total operating expenses		(1,284,026)	(25)	(1,146,783)	(25)
6900 Operating profit		417,006	8	403,951	9
Non-operating income and expenses					
7100 Interest income	6(24)	1,670	-	5,853	-
7010 Other income	6(25)	22,422	1	60,462	1
7020 Other gains and losses	6(26)	66,334	1	(46,679)	(1)
7050 Finance costs	6(27)	(7,336)	-	(9,481)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(4)	(5,000)	-	(1,604)	-
Total non-operating income and expenses		78,090	2	8,551	-
7000 Profit before income tax		495,096	10	412,502	9
7900 Income tax expenses	6(30)	(104,181)	(2)	(105,904)	(3)
7950 Net Income		\$ 390,915	8	\$ 306,598	6
8200 Other comprehensive income					
8311 Remeasurements of defined benefit plan	6(17)	(\$ 5,130)	-	\$ 95	-
8349 Income tax relating to components of other comprehensive income	6(30)	797	-	(19)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(47,065)	(1)	(15,427)	-
8399 Income tax relating to the components of other comprehensive income	6(30)	9,413	-	3,085	-
8300 Other comprehensive income (loss) for the year		(\$ 41,985)	(1)	(\$ 12,266)	-
8500 Total Comprehensive Income		\$ 348,930	7	\$ 294,332	6
Profit attributable to:					
8610 Shareholders of the parent		\$ 390,915	8	\$ 306,598	6
Total comprehensive income (loss) attributable to:					
8710 Shareholders of the parent		\$ 348,930	7	\$ 294,332	6
9750 Basic earnings per share	6(31)	\$ 4.57		\$ 3.73	
9850 Diluted earnings per share	6(31)	\$ 4.30		\$ 3.43	

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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to shareholders of the parent							
		Share capital			Retained Earnings			Financial statements translation differences of foreign operations	Total
Notes	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
Year 2020									
	\$	803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	(\$ 26,633)	\$ 2,597,399
		-	-	-	-	-	306,598	-	306,598
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	-	76	(12,342)	(12,266)
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)	-	-
Cash dividends		-	-	-	-	-	(327,568)	-	(327,568)
Share-based payments	6(18)	3,850	1,552	7,605	-	-	-	-	13,007
Compensation cost of share-based payments	6(18)	-	-	7,814	-	-	-	-	7,814
Conversion of convertible bonds		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
Year 2021									
Balance at January 1, 2021		\$ 825,953	\$ 23,897	\$ 330,595	\$ 546,178	\$ 26,633	\$ 919,497	(\$ 38,975)	\$ 2,633,778
Profit for the year		-	-	-	-	-	390,915	-	390,915
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	-	(4,333)	(37,652)	(41,985)
Total comprehensive income		-	-	-	-	-	386,582	(37,652)	348,930
Appropriations of 2020 earnings	6(21)								
Legal reserve		-	-	-	30,668	-	(30,668)	-	-
Special reserve		-	-	-	-	12,341	(12,341)	-	-
Cash dividends		-	-	-	-	-	(216,954)	-	(216,954)
Share-based payments	6(18)	6,690	(2,463)	15,655	-	-	-	-	19,882
Compensation cost of share-based payments	6(18)	-	-	16,023	-	-	-	-	16,023
Conversion of convertible bonds		52,186	53,660	170,768	-	-	-	-	276,614
Balance at December 31, 2021		\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627)	\$ 3,078,273

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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 495,096	\$ 412,502
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(4,278)	2,696
Depreciation	6(5)(6)(28)	93,218	104,224
Depreciation from investment Property	6(8)(26)	541	1,048
Amortization	6(9)(28)	17,494	13,339
Interest income	6(24)	(1,670)	(5,853)
Share of profit of associates and joint ventures accounted for under equity method	6(4)	5,000	1,604
Loss (gain) on disposal of property, plant and equipment	6(26)	(120)	(143)
Gain on disposal of investments	6(26)	(295)	(204)
Gains on disposals of investment property	6(26)	78,854	-
Gain on lease modification	6(26)	(1)	(17)
Interest expense	6(27)	7,336	9,481
Compensation cost of share-based payments	6(18)(29)	16,023	7,814
Impairment loss on goodwill	6(9)(10)(26)	-	9,596
Unrealized profit from sales		(37)	21
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		295	204
Notes receivable		(1,074)	(2,145)
Accounts receivable (including related parties)		(38,411)	(42,968)
Other receivables		(18,573)	2,620
Inventories		(692,429)	127,882
Prepayments		14,683	(13,065)
Other current assets		1,781	201
Changes in liabilities relating to operating activities			
Contract liabilities		55,087	13,648
Notes payables		(322)	322
Accounts payable (including related parties)		511,786	(79,170)
Other payables		89,990	11,487
Other current liabilities		(12,512)	7,465
Other non-current assets		(3,993)	(108)
Cash inflow generated from operations		455,761	582,481
Receipt of interest		1,819	6,999
Payment of interest		(4,231)	(4,436)
Payment of income tax		(50,218)	(43,548)
Net cash flows provided by operating activities		403,131	541,496

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(32)	(\$ 581,355)	(\$ 33,356)
Proceeds from disposal of property, plant and equipment		360	174
Proceeds from disposal of Investment property		125,027	-
Acquisition of intangible assets	6(9)	(18,214)	(10,301)
Decrease (Increase) in other non-current assets		563	178
Net cash flows provided by (used in) investing activities		<u>(473,619)</u>	<u>(43,305)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short -term borrowings		1,013,592	963,000
Redemption of short -term borrowings		(639,592)	(1,065,000)
Proceeds from long-term borrowings		55,771	-
Redemption of long-term borrowings		(41,021)	(2,953)
Payment of cash dividends	6(21)	(216,954)	(327,568)
Proceeds from exercise of employee stock options		19,882	13,007
Increase (decrease) in refundable deposits		-	160
Payment of lease liabilities		(39,351)	(43,011)
Proceeds from bonds payable	6(33)	<u>(2,300)</u>	<u>-</u>
Net cash flows provided by (used in) financing activities		<u>150,027</u>	<u>(462,365)</u>
Effects due to changes in exchange rate		<u>(43,457)</u>	<u>(10,769)</u>
Increase (Decrease) in cash and cash equivalents		36,082	25,057
Cash and cash equivalents at beginning of year		<u>907,789</u>	<u>882,732</u>
Cash and cash equivalents at end of year		<u>\$ 943,871</u>	<u>\$ 907,789</u>

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

(ATTACHMENT VI)

AXIOMTEK CO., LTD.

2021 Profit Distribution Table

Unit : TWD

Item	Amount	
	Sub-total	Total
Unappropriated retained earnings at the beginning of the term		659,533,513
Remeasurement of defined benefit plans recognized in retained earnings	(4,332,593)	
Adjusted unappropriated retained earnings		655,200,920
2021 Net income	390,914,946	
10% set aside as legal reserve	(38,658,235)	
Special reserves	(37,652,256)	
Total unappropriated retained earnings		969,805,375
Distributable item:		
Shareholders' dividend – cash (\$3.05 per share)		(275,117,576)
Unappropriated retained earnings at the end of the term		694,687,799

Note: The 2021 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 “Operating Procedures
for Acquisition and Disposal of Assets”
(before and after Revision)**

Contents after revision	Contents before revision	Explanation
7.2.1.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	7.2.1.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	Act in connection with the articles modifications of Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
7.2.2.1 Acquiring or disposing of securities of the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or TWD300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the	7.2.2.1 Acquiring or disposing of securities of the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or TWD300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the	

Contents after revision	Contents before revision	Explanation
<p>reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>7.2.3 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or TWD300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>7.2.3 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or TWD300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	
<p>7.3.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 7.3.7 and Article 7.3.11.</p>	<p>7.3.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 7.3.6 and Article 7.3.10.</p>	
<p><u>7.3.3 If the Company or its non-domestic publicly issued subsidiary has a transaction in Article 7.3.2. and the transaction amount is more than 10% of the Company's total assets, the Company shall submit the information listed in Article 7.3.2. to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its</u></p>	<p>(New addition)</p>	

Contents after revision	Contents before revision	Explanation
<p><u>parent, subsidiaries, or subsidiaries each other are not subject to this limitation.</u></p>		
<p>7.3.4 The calculation of the transaction amounts referred to Article 7.3.2 <u>and Article 7.3.3</u> shall be made in accordance with Article 7.2.4. herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and <u>submitted to the shareholders' meeting and Audit Committee for approval by more than half of all members</u> need not be counted toward the transaction amount.</p>	<p>7.3.3 The calculation of the transaction amounts referred to Article 7.3.2 shall be made in accordance with Article 7.6.1.5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and <u>recognized by the Audit Committee</u> need not be counted toward the transaction amount.</p>	
<p>7.3.5 With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7.2.1.3 delegate the chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p>	<p>7.3.4 With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7.2.1.3 delegate the chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p>	
<p>7.3.5.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p>	<p>7.3.4.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p>	
<p>7.3.5.2 Acquisition or disposal of real property right-of-use assets held for business use.</p>	<p>7.3.4.2 Acquisition or disposal of real property right-of-use assets held for business use.</p>	
<p>7.3.6 When a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>7.3.5 When a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	

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7.3.7 The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:	7.3.6 The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:	
7.3.7.1 Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.	7.3.6.1 Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.	
7.3.7.2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.	7.3.6.2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.	
7.3.8 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Article 7.3.7.	7.3.7 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Article 7.3.6.	
7.3.9 The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with Article 7.3.7 shall also engage a CPA to check the appraisal and render a	7.3.8 The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with Article 7.3.6 shall also engage a CPA to check the appraisal and render a	

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specific opinion.	specific opinion.	
7.3.10 Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 7.3.2 and Article 7.3.7, and 7.3.8 do not apply:	7.3.9 Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 7.3.2 and Article 7.3.6, and 7.3.7 do not apply:	
7.3.10.1 The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.	7.3.9.1 The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.	
7.3.10.2 More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.	7.3.9.2 More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.	
7.3.10.3 The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.	7.3.9.3 The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.	
7.3.10.4 The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.	7.3.9.4 The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.	
7.3.11 When the results of the Company's appraisal conducted in accordance with Article 7.3.7 and 7.3.8 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 7.3.12. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have	7.3.10 When the results of the Company's appraisal conducted in accordance with Article 7.3.6 and 7.3.7 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 7.3.10, Article 7.3.11 and Article 7.3.12. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real	

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been obtained, this restriction shall not apply:	property appraiser and a CPA have been obtained, this restriction shall not apply:	
7.3.11.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:	7.3.10.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:	
7.3.11.1.1 Where undeveloped land is appraised in accordance with the means in Article 7.3.7 to 7.3.10, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.	7.3.10.1.1 Where undeveloped land is appraised in accordance with the means in Article 7.3.6 to 7.3.9, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.	
7.3.11.1.2 Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.	7.3.10.1.2 Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.	
7.3.11.2 Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of	7.3.10.2 Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of	

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a similar size by unrelated parties within the preceding year.	a similar size by unrelated parties within the preceding year.	
7.3.11.3 Completed transactions involving neighboring or closely valued parcels of land in Article 7.3.11.1 and 7.3.11.2 in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.	7.3.10.3 Completed transactions involving neighboring or closely valued parcels of land in Article 7.3.10.1 and 7.3.10.2 in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.	
7.3.12 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 7.3.7 and Article 7.3.11 are uniformly lower than the transaction price, the following steps shall be taken:	7.3.11 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 7.3.6 and Article 7.3.10 are uniformly lower than the transaction price, the following steps shall be taken:	
7.3.12.1 A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public	7.3.11.1 A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public	

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company's equity stake in the other company.	company's equity stake in the other company.	
7.3.12.2 Audit Committee shall comply with Article 218 of the Company Act.	7.3.11.2 Audit Committee shall comply with Article 218 of the Company Act.	
7.3.12.3 Actions taken pursuant to Article 7.3.12.1 and Article 7.3.12.2 shall be reported to a Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.	7.3.11.3 Actions taken pursuant to Article 7.3.10.1 and Article 7.3.10.2 shall be reported to a Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.	
7.3.13 The Company that has set aside a special reserve under Article 7.3.12 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.	7.3.12 The Company that has set aside a special reserve under Article 7.3.11 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.	
7.3.14 When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the Article 7.3.12 and Article 7.3.13 if there is other evidence indicating that the acquisition was not an arms length transaction.	7.3.13 When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the Article 7.3.11 and Article 7.3.12 if there is other evidence indicating that the acquisition was not an arms length transaction.	
7.6.1.6.1 Trading of domestic government bonds or <u>foreign bonds with a credit rating not lower than my country's sovereign rating.</u>	7.6.1.6.1 Trading of domestic government bonds.	
7.10.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline regulations of their respective trade associations and the following:</u>	7.10.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:	
7.10.4.2 When <u>executing</u> a case, they shall appropriately plan and execute adequate working	7.10.4.2 When <u>examining</u> a case, they shall appropriately plan and execute adequate working	

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<p>procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p>	<p>procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p>	
<p>7.10.4.3 They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p>	<p>7.10.4.3 They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p>	
<p>7.10.4.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>7.10.4.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate,</u> and that they have complied with applicable laws and regulations.</p>	