

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

Assets	Notes	March 31, 2020		December 31, 2019		March 31, 2019		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 720,566	17	\$ 882,732	22	\$ 891,733	21
1110	Financial assets at fair value through profit or loss - current	6(3) and 12(2)	127,036	3	-	-	35,025	1
1150	Notes receivable	6(3) and 12(2)	12,269	-	16,679	-	14,787	-
1170	Accounts receivable	6(3) and 12(2)	703,652	16	662,185	16	620,123	15
1180	Accounts receivable – related parties	6(3) and 12(2)	84	-	52	-	84	-
1200	Other receivables		25,879	1	15,127	-	27,574	1
1220	Current income tax assets		819	-	827	-	2,474	-
130X	Inventories	6(4)	1,021,063	24	946,661	23	995,858	23
1410	Prepayments		36,137	1	24,839	1	27,521	1
1470	Other current assets		4,966	-	2,816	-	8,198	-
11XX	<b>Total current assets</b>		<u>2,652,471</u>	<u>62</u>	<u>2,551,918</u>	<u>62</u>	<u>2,623,377</u>	<u>62</u>
<b>Non-current assets</b>								
1550	Investments accounted for under equity method	6(5)	27,321	1	27,570	1	28,349	1
1600	Property, plant and equipment	6(6) and 8	1,180,169	28	1,178,845	29	1,192,675	28
1755	Right-of-use assets	6(7)	119,757	3	78,424	2	99,296	2
1760	Investment property	6(9)	85,979	2	86,241	2	119,271	3
1780	Intangible assets	6(10)	123,977	3	125,710	3	143,722	3
1840	Deferred income tax assets	6(29)	59,746	1	59,597	1	42,660	1
1990	Other non-current assets		8,689	-	8,747	-	7,752	-
15XX	<b>Total non-current assets</b>		<u>1,605,638</u>	<u>38</u>	<u>1,565,134</u>	<u>38</u>	<u>1,633,725</u>	<u>38</u>
1XXX	<b>Total Assets</b>		<u>\$ 4,258,109</u>	<u>100</u>	<u>\$ 4,117,052</u>	<u>100</u>	<u>\$ 4,257,102</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	March 31, 2020		December 31, 2019		March 31, 2019		
		Amount	%	Amount	%	Amount	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(12)	\$ -	-	\$ 102,000	2	\$ 53,000	1
2120	Financial liabilities at fair value through profit or loss - current	6(14) and 12(3)	-	-	-	-	376	-
2130	Contract liabilities - current	6(23)	69,941	2	23,601	1	36,701	1
2150	Notes payables		675	-	675	-	1,757	-
2170	Accounts payable		518,899	12	397,432	10	535,172	13
2180	Accounts payable – related parties	7	8,879	-	5,075	-	14,994	-
2200	Other payables	6(13)	268,509	6	313,651	8	273,529	6
2230	Current income tax liabilities		62,175	2	54,355	1	152,647	4
2250	Provisions for liabilities - current		896	-	896	-	1,144	-
2280	Current lease liabilities		40,388	1	37,237	1	35,048	1
2320	Current portion of long-term borrowings	6(15) (16)	3,023	-	2,998	-	402,528	10
2399	Other current liabilities		11,609	-	12,010	-	7,378	-
21XX	<b>Total current liabilities</b>		<u>984,994</u>	<u>23</u>	<u>949,930</u>	<u>23</u>	<u>1,514,274</u>	<u>36</u>
<b>Non-current liabilities</b>								
2530	Corporate bonds payable	6(15)	304,168	7	319,618	8	-	-
2540	Long-term borrowings	6(16) and 8	43,323	1	43,721	1	47,257	1
2570	Deferred income tax liabilities	6(29)	104,744	3	109,166	3	98,885	2
2580	Non-current lease liabilities		81,161	2	42,001	1	64,033	2
2600	Other non-current liabilities	6(17)	54,886	1	55,217	1	50,894	1
25XX	<b>Total non-current liabilities</b>		<u>588,282</u>	<u>14</u>	<u>569,723</u>	<u>14</u>	<u>261,069</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>1,573,276</u>	<u>37</u>	<u>1,519,653</u>	<u>37</u>	<u>1,775,343</u>	<u>42</u>
<b>Equity attributable to shareholders of the parent</b>								
<b>Share capital</b>								
3110	Ordinary shares	6(19)	819,001	19	803,954	20	796,836	19
3140	Advance receipts for share capital	6(19)	6,111	-	60,957	1	-	-
<b>Capital surplus</b>								
3200	Capital surplus	6(20)	305,619	8	245,919	6	218,707	5
<b>Retained earnings</b>								
3310	Legal reserve	6(21)	500,481	12	500,481	12	459,789	11
3320	Special reserve		4,231	-	4,231	-	12,914	-
3350	Unappropriated retained earnings		1,075,874	25	1,008,490	25	998,816	23
<b>Other equity</b>								
3400	Other equity	6(22)	(26,484)	(1)	(26,633)	(1)	(5,303)	-
31XX	<b>Total equity attributable to shareholders of the parent</b>		<u>2,684,833</u>	<u>63</u>	<u>2,597,399</u>	<u>63</u>	<u>2,481,759</u>	<u>58</u>
3XXX	<b>Total equity</b>		<u>2,684,833</u>	<u>63</u>	<u>2,597,399</u>	<u>63</u>	<u>2,481,759</u>	<u>58</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>								
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 4,258,109</u>	<u>100</u>	<u>\$ 4,117,052</u>	<u>100</u>	<u>\$ 4,257,102</u>	<u>100</u>

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

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

Items	Notes	For the Three Months Ended March		For the Three Months Ended March		
		31		31		
		2019		2018		
		Amount	%	Amount	%	
4000	<b>Operating revenue</b>	6(23)	\$ 1,124,237	100	\$ 1,109,217	100
5000	<b>Operating costs</b>	6(4), (27),(28) and 7	( 767,479)	( 68)	( 735,070)	( 66)
5900	<b>Gross profit</b>		356,758	32	374,147	34
5910	Unrealized loss from sales	6(5)	( 71)	-	-	-
5920	Realized sales benefit		36	-	-	-
5950	<b>Net operating margin</b>	6(27) and (28)	356,723	32	374,147	34
	<b>Operating expenses</b>	6(23)				
6100	Selling expenses		( 154,072)	( 14)	( 147,258)	( 13)
6200	General and administrative expenses		( 28,911)	( 3)	( 23,257)	( 2)
6300	Research and development expenses		( 105,443)	( 9)	( 108,060)	( 10)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in order to comply with IFRS 9	12(2)	( 3,804)	-	( 54)	-
6000	<b>Total operating expenses</b>		( 292,230)	( 26)	( 278,629)	( 25)
6900	<b>Operating profit</b>		64,493	6	95,518	9
	<b>Non-operating income and expenses</b>					
7010	Other income	6(24)	5,397	-	4,840	-
7020	Other gains and losses	6(25)	11,703	1	45,967	4
7050	Finance costs	6(26)	( 2,543)	-	( 2,958)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(5)	( 214)	-	( 684)	-
7000	<b>Total non-operating income and expenses</b>		14,343	1	47,165	4
7900	<b>Profit before income tax</b>		78,836	7	142,683	13
7950	Income tax expenses	6(29)	( 11,452)	( 1)	( 26,178)	( 3)
8200	<b>Net Income</b>		\$ 67,384	6	\$ 116,505	10
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		\$ 186	-	( \$ 1,341)	-
8399	Income tax relating to the components of other comprehensive income	6(29)	( 37)	-	268	-
8300	<b>Other comprehensive income (loss) for the year</b>		\$ 149	-	( \$ 1,073)	-
8500	<b>Total Comprehensive Income</b>		\$ 67,533	6	\$ 115,432	10
	<b>Profit attributable to:</b>					
8610	Shareholders of the parent		\$ 67,384	6	\$ 116,505	10
	<b>Total comprehensive income (loss) attributable to:</b>					
8710	Shareholders of the parent		\$ 67,533	6	\$ 115,432	10
9750	<b>Basic earnings per share</b>	6(30)	\$ 0.82		\$ 1.46	
9850	<b>Diluted earnings per share</b>	6(2)	\$ 0.77		\$ 1.32	

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

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

	Equity attributable to shareholders of the parent								
	Notes	Share capital			Retained earnings			Financial statements translation differences of foreign operations	Total
		Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<b>Year 2019</b>									
Balance at January 1, 2019		\$ 796,206	\$ 1,039	\$ 214,960	\$ 459,789	\$ 12,914	\$ 882,311	(\$ 4,230 )	\$ 2,362,989
Profit		-	-	-	-	-	116,505	-	116,505
Other comprehensive loss	6(22)	-	-	-	-	-	-	( 1,073 )	( 1,073 )
Total comprehensive income		-	-	-	-	-	116,505	( 1,073 )	115,432
Share-based payments		630	( 1,039 )	763	-	-	-	-	354
Compensation cost of share-based payments	6(18)	-	-	2,984	-	-	-	-	2,984
Balance at March 31, 2019		\$ 796,836	\$ -	\$ 218,707	\$ 459,789	\$ 12,914	\$ 998,816	(\$ 5,303 )	\$ 2,481,759
<b>Year 2020</b>									
Balance at January 1, 2020		\$ 803,954	\$ 60,957	\$ 245,919	\$ 500,481	\$ 4,231	\$ 1,008,490	(\$ 26,633 )	\$ 2,597,399
Profit		-	-	-	-	-	67,384	-	67,384
Other comprehensive income	6(22)	-	-	-	-	-	-	149	149
Total comprehensive income		-	-	-	-	-	67,384	149	67,533
Share-based payments		500	( 249 )	535	-	-	-	-	786
Compensation cost of share-based payments	6(18)	-	-	2,353	-	-	-	-	2,353
Conversion of convertible bonds		14,547	( 54,597 )	56,812	-	-	-	-	16,762
Balance at March 31, 2020		\$ 819,001	\$ 6,111	\$ 305,619	\$ 500,481	\$ 4,231	\$ 1,075,874	(\$ 26,484 )	\$ 2,684,833

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

	Notes	Nine Months Ended March 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 78,836	\$ 142,683
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	3,804	54
Depreciation	6(6), (7) and (27)	25,906	22,737
Depreciation from investment Property	6(9) and (25)	262	348
Amortization	6(10) and (27)	3,478	2,939
Interest income	6(24)	( 2,006 )	( 2,104 )
Share of profit of associates and joint ventures accounted for under equity method	6(5)	214	684
Gain on disposal of property, plant and equipment	6(25)	( 136 )	-
Gain on disposal of investments	6(25)	( 28 )	( 44 )
Gain on disposal of subsidiaries	6(25)	-	( 37,861 )
Loss (gain) on lease modification	6(25)	37	( 3 )
Net gain on financial assets at fair value through profit	6(26)	( 36 )	( 25 )
Net gain on financial liability at fair value through profit	6(14) and (25)	-	( 2,384 )
Interest expense	6(26)	2,543	2,958
Compensation cost of share-based payments	6(18) and (28)	2,353	2,984
Unrealized profit from sales		35	-
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		( 126,972 )	( 34,956 )
Notes receivable		4,410	6,309
Accounts receivable (including related parties)		( 45,322 )	12,077
Other receivables		( 11,983 )	( 6,673 )
Inventories		( 74,358 )	( 86,779 )
Prepayments		( 11,298 )	2,948
Other current assets		( 2,150 )	( 5,998 )
Changes in liabilities relating to operating activities			
Contract liabilities		46,340	2,178
Notes payables		-	1,082
Accounts payable (including related parties)		125,271	( 86,969 )
Other payables		( 44,652 )	( 55,023 )
Other current liabilities		( 401 )	( 1,636 )
Other non-current assets		( 331 )	( 660 )
Cash outflow generated from operations		( 26,184 )	( 121,134 )
Receipt of interest		3,237	2,089
Payment of interest		( 1,246 )	( 1,266 )
Payment of income tax		( 8,233 )	( 5,574 )
Net cash flows provided by (used in) operating activities		( 32,426 )	( 125,885 )

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

	Notes	Nine Months Ended March 31	
		2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Net cash flow from acquisition of subsidiaries	6(31)	\$ -	(\$ 37,485 )
Acquisition of property, plant and equipment	6(32)	( 15,837 )	( 9,056 )
Proceeds from disposal of property, plant and equipment		150	-
Proceeds from disposal of Investment property		-	58,062
Acquisition of intangible assets	6(10)	( 1,549 )	( 1,057 )
Increase in other non-current assets		58	( 218 )
Net cash flows provided by (used in) investing activities		<u>( 17,178 )</u>	<u>10,246</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Redemption of short -term borrowings		( 207,000 )	( 73,000 )
Proceeds from short -term borrowings		105,000	73,000
Redemption of long-term borrowings		( 756 )	( 771 )
Proceeds from exercise of employee stock options		786	354
Increase (decrease) in refundable deposits		-	( 299 )
Payment of lease liabilities		( 9,957 )	( 9,051 )
Net cash flows provided by (used in) financing activities		<u>( 111,927 )</u>	<u>9,767</u>
Effects due to changes in exchange rate		( 635 )	( 1,861 )
Increase (Decrease) in cash and cash equivalents		( 162,166 )	( 127,267 )
Cash and cash equivalents at beginning of year		<u>882,732</u>	<u>1,019,000</u>
Cash and cash equivalents at end of year		<u>\$ 720,566</u>	<u>\$ 891,733</u>

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