

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

Assets	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 699,518	16	\$ 907,789	23	\$ 720,566	17
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(3)	288,056	7	-	-	127,036	3
1150	Notes receivable	6(3) and 12(2)	28,465	1	18,824	1	12,269	-
1170	Accounts receivable	6(3) and 12(2)	672,173	16	702,733	17	703,652	16
1180	Accounts receivable – related parties	6(3) and 12(2)	14	-	-	-	84	-
1200	Other receivables		25,109	1	11,360	-	25,879	1
1220	Current income tax assets		1,017	-	1,381	-	819	-
130X	Inventories	6(4)	976,554	23	818,841	20	1,021,063	24
1410	Prepayments		40,153	1	37,904	1	36,137	1
1470	Other current assets		1,368	-	2,615	-	4,966	-
11XX	Total current assets		<u>2,732,427</u>	<u>65</u>	<u>2,501,447</u>	<u>62</u>	<u>2,652,471</u>	<u>62</u>
Non-current assets								
1550	Investments accounted for under equity method	6(5)	25,140	-	25,945	1	27,321	1
1600	Property, plant and equipment	6(6) and 8	1,136,585	27	1,144,409	28	1,180,169	28
1755	Right-of-use assets	6(7)	90,505	2	98,458	2	119,757	3
1760	Investment property	6(9)	38,850	1	85,193	2	85,979	2
1780	Intangible assets	6(10)(11)	113,336	3	113,714	3	123,977	3
1840	Deferred income tax assets	6(29)	67,523	2	65,210	2	59,746	1
1990	Other non-current assets		9,212	-	9,141	-	8,689	-
15XX	Total non-current assets		<u>1,481,151</u>	<u>35</u>	<u>1,542,070</u>	<u>38</u>	<u>1,605,638</u>	<u>38</u>
1XXX	Total Assets		<u>\$ 4,213,578</u>	<u>100</u>	<u>\$ 4,043,517</u>	<u>100</u>	<u>\$ 4,258,109</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, 2021		December 31, 2020		March 31, 2020	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2130	Contract liabilities - current	6(22)	\$ 22,116	1	\$ 37,249	1	\$ 69,941	2
2150	Notes payables		-	-	997	-	675	-
2170	Accounts payable		461,551	11	318,697	8	518,899	12
2180	Accounts payable – related parties	7	6,614	-	4,640	-	8,879	-
2200	Other payables	6(12)	466,139	11	325,696	8	268,509	6
2230	Current income tax liabilities		101,170	2	81,882	2	62,175	2
2250	Provisions for liabilities - current		939	-	939	-	896	-
2280	Current lease liabilities		28,648	1	31,834	1	40,388	1
2320	Current portion of long-term borrowings	6(14) (15)	254,515	6	278,732	7	3,023	-
2399	Other current liabilities		8,564	-	19,475	-	11,609	-
21XX	Total current liabilities		<u>1,350,256</u>	<u>32</u>	<u>1,100,141</u>	<u>27</u>	<u>984,994</u>	<u>23</u>
Non-current liabilities								
2530	Corporate bonds payable	6(14)	-	-	-	-	304,168	7
2540	Long-term borrowings	6(15) and 8	38,040	1	38,685	1	43,323	1
2560	Non-current income tax liabilities		12,853	-	15,423	1	-	-
2570	Deferred income tax liabilities	6(29)	131,673	3	131,848	3	104,744	3
2580	Non-current lease liabilities		63,586	2	68,468	2	81,161	2
2600	Other non-current liabilities		54,433	1	55,174	1	54,886	1
25XX	Total non-current liabilities		<u>300,585</u>	<u>7</u>	<u>309,598</u>	<u>8</u>	<u>588,282</u>	<u>14</u>
2XXX	Total liabilities		<u>1,650,841</u>	<u>39</u>	<u>1,409,739</u>	<u>35</u>	<u>1,573,276</u>	<u>37</u>
Equity attributable to shareholders of the parent								
Share capital								
3110	Ordinary shares	6(18)	834,499	20	825,953	20	819,001	19
3140	Advance receipts for share capital	6(18)	20,768	-	23,897	1	6,111	-
Capital surplus								
3200	Capital surplus	6(19)	360,720	8	330,595	8	305,619	8
Retained earnings								
3310	Legal reserve	6(20)	546,178	13	546,178	13	500,481	12
3320	Special reserve		26,633	1	26,633	1	4,231	-
3350	Unappropriated retained earnings		822,048	20	919,497	23	1,075,874	25
Other equity								
3400	Other equity	6(21)	(48,109)	(1)	(38,975)	(1)	(26,484)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>2,562,737</u>	<u>61</u>	<u>2,633,778</u>	<u>65</u>	<u>2,684,833</u>	<u>63</u>
3XXX	Total equity		<u>2,562,737</u>	<u>61</u>	<u>2,633,778</u>	<u>65</u>	<u>2,684,833</u>	<u>63</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total Liabilities and Equity		<u>\$ 4,213,578</u>	<u>100</u>	<u>\$ 4,043,517</u>	<u>100</u>	<u>\$ 4,258,109</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		For the Three Months Ended		
		March 31		March 31		
		2021		2020		
		Amount	%	Amount	%	
4000	Operating revenue	6(22)	\$ 968,706	100	\$ 1,124,237	100
5000	Operating costs	6(4), (27),(28) and 7	(613,612)	(63)	(767,479)	(68)
5900	Gross profit		355,094	37	356,758	32
5910	Unrealized loss from sales	6(5)	(57)	-	(71)	-
5920	Realized sales benefit		57	-	36	-
5950	Net operating margin	6(27) and (28)	355,094	37	356,723	32
	Operating expenses					
6100	Selling expenses		(142,950)	(15)	(154,072)	(14)
6200	General and administrative expenses		(35,766)	(4)	(28,911)	(3)
6300	Research and development expenses		(108,283)	(11)	(105,443)	(9)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in order to comply with IFRS 9	12(2)	361	-	(3,804)	-
6000	Total operating expenses		(286,638)	(30)	(292,230)	(26)
6900	Operating profit		68,456	7	64,493	6
	Non-operating income and expenses					
7100	Interest income	6(23)	658	-	2,006	-
7010	Other income	6(24)	1,680	-	3,391	-
7020	Other gains and losses	6(25)	72,161	7	11,703	1
7050	Finance costs	6(26)	(1,880)	-	(2,543)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(5)	(804)	-	(214)	-
7000	Total non-operating income and expense		71,815	7	14,343	1
7900	Profit before income tax		140,271	14	78,836	7
7950	Income tax expenses	6(29)	(20,766)	(2)	(11,452)	(1)
8200	Net Income		\$ 119,505	12	\$ 67,384	6
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(\$ 11,418)	(1)	\$ 186	-
8399	Income tax relating to the components of other comprehensive income	6(29)	2,284	-	(37)	-
8300	Other comprehensive income (loss) for the year		(\$ 9,134)	(1)	\$ 149	-
8500	Total Comprehensive Income		\$ 110,371	11	\$ 67,533	6
	Profit attributable to:					
8610	Shareholders of the parent		\$ 119,505	12	\$ 67,384	6
	Total comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$ 110,371	11	\$ 67,533	6
9750	Basic earnings per share	6(30)	\$ 1.43		\$ 0.82	
9850	Diluted earnings per share	6(30)	\$ 1.33		\$ 0.77	

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								
	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									
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(21)	-	-	-	-	-	-	149	149
Total comprehensive income		-	-	-	-	-	67,384	149	67,533
Share-based payments	6(17)	500	(249)	535	-	-	-	-	786
Compensation cost of share-based payments	6(17)	-	-	2,353	-	-	-	-	2,353
Conversion of convertible bonds		14,547	(54,597)	56,812	-	-	-	-	16,762
Balance at March 31, 2020		<u>\$ 819,001</u>	<u>\$ 6,111</u>	<u>\$ 305,619</u>	<u>\$ 500,481</u>	<u>\$ 4,231</u>	<u>\$ 1,075,874</u>	<u>(\$ 26,484)</u>	<u>\$ 2,684,833</u>
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		-	-	-	-	-	119,505	-	119,505
Other comprehensive income	6(21)	-	-	-	-	-	-	(9,134)	(9,134)
Total comprehensive income		-	-	-	-	-	119,505	(9,134)	110,371
Cash dividends		-	-	-	-	-	(216,954)	-	(216,954)
Share-based payments	6(17)	2,330	(708)	4,189	-	-	-	-	5,811
Compensation cost of share-based payments	6(17)	-	-	4,395	-	-	-	-	4,395
Conversion of convertible bonds		6,216	(2,421)	21,541	-	-	-	-	25,336
Balance at March 31, 2021		<u>\$ 834,499</u>	<u>\$ 20,768</u>	<u>\$ 360,720</u>	<u>\$ 546,178</u>	<u>\$ 26,633</u>	<u>\$ 822,048</u>	<u>(\$ 48,109)</u>	<u>\$ 2,562,737</u>

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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	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 140,271	\$ 78,836
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(361)	3,804
Depreciation	6(6), (7) and (27)	23,373	25,906
Depreciation from investment Property	6(9) and (27)	170	262
Amortization	6(10) and (27)	4,128	3,478
Interest income	6(23)	(658)	(2,006)
Share of profit of associates and joint ventures accounted for under equity method	6(5)	804	214
Gain on disposal of property, plant and equipment	6(25)	(114)	(136)
Gain on disposal of investments	6(25)	(43)	(28)
Gain on disposal of subsidiaries	6(25)	(78,854)	-
Loss (gain) on lease modification	6(25)	(7)	37
Net gain on financial assets at fair value through profit	6(25)	(56)	(36)
Interest expense	6(26)	1,880	2,543
Compensation cost of share-based payments	6(17) and (28)	4,395	2,353
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		(287,957)	(126,972)
Notes receivable		(9,641)	4,410
Accounts receivable (including related parties)		30,926	(45,322)
Other receivables		(13,847)	(11,983)
Inventories		(157,690)	(74,358)
Prepayments		(2,249)	(11,298)
Other current assets		1,247	(2,150)
Changes in liabilities relating to operating activities			
Contract liabilities		(15,133)	46,340
Notes payables		(998)	-
Accounts payable (including related parties)		144,829	125,271
Other payables		(75,043)	(44,652)
Other current liabilities		(10,911)	(401)
Other non-current assets		(741)	(331)
Cash outflow generated from operations		(302,280)	(26,184)
Receipt of interest		756	3,237
Payment of interest		(766)	(1,246)
Payment of income tax		(4,005)	(8,233)
Net cash flows provided by (used in) operating activities		(306,295)	(32,426)

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

	Notes	Nine Months Ended March 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(31)	(\$ 8,638)	(\$ 15,837)
Proceeds from disposal of property, plant and equipment		359	150
Proceeds from disposal of Investment property		125,027	-
Acquisition of intangible assets	6(10)	(3,323)	(1,549)
Increase in other non-current assets		77	58
Net cash flows provided by (used in) investing activities		<u>113,502</u>	<u>(17,178)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Redemption of short -term borrowings		-	(207,000)
Proceeds from short -term borrowings		-	105,000
Redemption of long-term borrowings		(703)	(756)
Proceeds from exercise of employee stock options		5,811	786
Payment of lease liabilities		<u>(9,624)</u>	<u>(9,957)</u>
Net cash flows provided by (used in) financing activities		<u>(4,516)</u>	<u>(111,927)</u>
Effects due to changes in exchange rate		<u>(10,962)</u>	<u>(635)</u>
Increase (Decrease) in cash and cash equivalents		(208,271)	(162,166)
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>\$ 699,518</u>	<u>\$ 720,566</u>

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