

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

Assets	Notes	September 30, 2022		December 31, 2021		September 30, 2021		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 810,307	14	\$ 943,871	18	\$ 683,244	14
1150	Notes receivable	6(2) and 12(2)	25,373	-	19,898	-	29,879	-
1170	Accounts receivable	6(2) and 12(2)	730,254	13	745,496	14	892,017	19
1180	Accounts receivable – related parties	6(2) and 12(2)	16	-	103	-	-	-
1200	Other receivables		37,950	1	29,785	1	42,742	1
1220	Current income tax assets		9,824	-	401	-	1,219	-
130X	Inventories	6(3)	2,125,191	36	1,511,484	28	1,447,505	31
1410	Prepayments		30,867	1	23,221	-	33,852	1
1470	Other current assets		10,187	-	834	-	1,430	-
11XX	<b>Total current assets</b>		<u>3,779,969</u>	<u>65</u>	<u>3,275,093</u>	<u>61</u>	<u>3,131,888</u>	<u>66</u>
<b>Non-current assets</b>								
1550	Investments accounted for under equity method	6(4)	18,095	-	20,982	1	23,544	1
1600	Property, plant and equipment	6(5) and 8	1,689,635	29	1,670,465	31	1,124,586	24
1755	Right-of-use assets	6(6)	111,129	2	127,737	2	140,431	3
1760	Investment property	6(8)	38,107	1	38,479	1	38,603	1
1780	Intangible assets	6(9)(10)	112,351	2	114,769	2	116,235	2
1840	Deferred income tax assets		60,270	1	78,938	2	72,195	2
1990	Other non-current assets		10,978	-	9,228	-	63,941	1
15XX	<b>Total non-current assets</b>		<u>2,040,565</u>	<u>35</u>	<u>2,060,598</u>	<u>39</u>	<u>1,579,535</u>	<u>34</u>
1XXX	<b>Total Assets</b>		<u>\$ 5,820,534</u>	<u>100</u>	<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,711,423</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(11)	\$ 707,000	12	\$ 374,000	7	\$ 176,585	4
2130	Contract liabilities - current	6(23)	144,058	3	92,336	2	77,454	2
2150	Notes payables		-	-	675	-	675	-
2170	Accounts payable	6(14)	753,419	13	828,310	15	600,118	13
2180	Accounts payable – related parties	7	5,989	-	6,813	-	4,798	-
2200	Other payables	6(12)	330,986	6	419,448	8	301,425	6
2230	Current income tax liabilities		141,131	2	94,855	2	118,585	2
2250	Provisions for liabilities - current		1,152	-	1,152	-	939	-
2280	Current lease liabilities		35,235	1	37,570	1	38,657	1
2320	Current portion of long-term borrowings	6(15) (16)	1,619	-	1,411	-	132,754	3
2399	Other current liabilities		9,878	-	6,963	-	9,982	-
21XX	<b>Total current liabilities</b>		<u>2,130,467</u>	<u>37</u>	<u>1,863,533</u>	<u>35</u>	<u>1,461,972</u>	<u>31</u>
<b>Non-current liabilities</b>								
2540	Long-term borrowings	6(16) and 8	60,302	1	53,606	1	54,261	1
2560	Non-current income tax liabilities		12,733	-	30,677	-	37,597	1
2570	Deferred income tax liabilities	6(30)	160,224	3	160,410	3	131,261	3
2580	Non-current lease liabilities		79,794	1	92,880	2	104,169	2
2600	Other non-current liabilities	6(17)	55,895	1	56,312	1	53,763	1
25XX	<b>Total non-current liabilities</b>		<u>368,948</u>	<u>6</u>	<u>393,885</u>	<u>7</u>	<u>381,051</u>	<u>8</u>
2XXX	<b>Total liabilities</b>		<u>2,499,415</u>	<u>43</u>	<u>2,257,418</u>	<u>42</u>	<u>1,843,023</u>	<u>39</u>
<b>Equity attributable to shareholders of the parent</b>								
<b>Share capital</b>								
3110	Ordinary shares	6(19)	904,015	15	884,829	17	844,136	18
3140	Advance receipts for share capital		3,169	-	75,094	1	122,017	3
<b>Capital surplus</b>								
3200	Capital surplus	6(20)	610,446	11	533,041	10	393,770	8
<b>Retained earnings</b>								
3310	Legal reserve	6(21)	615,504	11	576,846	11	576,846	12
3320	Special reserve		76,627	1	38,974	1	38,974	1
3350	Unappropriated retained earnings		1,101,634	19	1,046,116	20	960,707	20
<b>Other equity</b>								
3400	Other equity	6(22)	9,724	-	(76,627)	(2)	(68,050)	(1)
31XX	<b>Total equity attributable to shareholders of the parent</b>		<u>3,321,119</u>	<u>57</u>	<u>3,078,273</u>	<u>58</u>	<u>2,868,400</u>	<u>61</u>
3XXX	<b>Total equity</b>		<u>3,321,119</u>	<u>57</u>	<u>3,078,273</u>	<u>58</u>	<u>2,868,400</u>	<u>61</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>								
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 5,820,534</u>	<u>100</u>	<u>\$ 5,335,691</u>	<u>100</u>	<u>\$ 4,711,423</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 September 30				For the Nine Months Ended September 30			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Operating revenue</b>	6(23)	\$ 1,723,050	100	\$ 1,547,069	100	\$ 4,803,394	100	\$ 3,617,154	100
5000 <b>Operating costs</b>	6(3)(28) (29) and 7	( 1,135,054)	( 66)	( 1,036,619)	( 67)	( 3,241,050)	( 67)	( 2,375,731)	( 66)
5900 <b>Gross profit</b>		587,996	34	510,450	33	1,562,344	33	1,241,423	34
5910 Unrealized loss from sales	6(4)	( 21)	-	8	-	( 232)	-	( 49)	-
5920 Realized sales benefit		-	-	-	-	20	-	57	-
5950 <b>Net operating margin</b>		587,975	34	510,458	33	1,562,132	33	1,241,431	34
<b>Operating expenses</b>	6(28)(29)								
6100 Selling expenses		( 145,380)	( 9)	( 169,367)	( 11)	( 410,707)	( 9)	( 459,520)	( 13)
6200 General and administrative expenses		( 91,727)	( 5)	( 41,399)	( 2)	( 264,006)	( 5)	( 113,561)	( 3)
6300 Research and development expenses		( 142,729)	( 8)	( 119,546)	( 8)	( 423,012)	( 9)	( 349,006)	( 9)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined In order to comply with IFRS 9	12(2)	1,933	-	3,011	-	1,372	-	4,854	-
6000 <b>Total operating expenses</b>		( 377,903)	( 22)	( 327,301)	( 21)	( 1,096,353)	( 23)	( 917,233)	( 25)
6900 <b>Operating profit</b>		210,072	12	183,157	12	465,779	10	324,198	9
<b>Non-operating income and expenses</b>									
7100 Interest income	6(24)	1,446	-	299	-	2,174	-	1,397	-
7010 Other income	6(25)	10,556	-	2,458	-	20,584	-	12,828	-
7020 Other gains and losses	6(26)	31,924	2	2,208	-	58,925	1	66,545	2
7050 Finance costs	6(27)	( 2,594)	-	( 1,888)	-	( 6,310)	-	( 5,588)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(4)	( 1,010)	-	( 747)	-	( 2,675)	-	( 2,408)	-
7000 <b>Total non-operating income and expenses</b>		40,322	2	2,330	-	72,698	1	72,774	2
7900 <b>Profit before income tax</b>		250,394	14	185,487	12	538,477	11	396,972	11
7950 Income tax expenses	6(30)	( 57,421)	( 3)	( 49,702)	( 3)	( 131,531)	( 3)	( 95,799)	( 2)
8200 <b>Net Income</b>		\$ 192,973	11	\$ 135,785	9	\$ 406,946	8	\$ 301,173	9
<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		\$ 57,391	4	( \$ 7,544)	( 1)	\$ 107,939	2	( \$ 36,344)	( 1)
8399 Income tax relating to the components of other comprehensive income	6(30)	( 11,478)	( 1)	1,509	-	( 21,588)	-	7,269	-
8300 <b>Other comprehensive income (loss) for the year</b>		\$ 45,913	3	( \$ 6,035)	( 1)	\$ 86,351	2	( \$ 29,075)	( 1)
8500 <b>Total Comprehensive Income</b>		\$ 238,886	14	\$ 129,750	8	\$ 493,297	10	\$ 272,098	8
<b>Profit attributable to:</b>									
8610 Shareholders of the parent		\$ 192,973	11	\$ 135,785	9	\$ 406,946	8	\$ 301,173	9
<b>Total comprehensive income (loss) attributable to:</b>									

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AXIOMTEK CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
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8710	Shareholders of the parent		\$ 238,886	<u>14</u>	\$ 129,750	<u>8</u>	\$ 493,297	<u>10</u>	\$ 272,098	<u>8</u>
9750	<b>Basic earnings per share</b>	6(31)	<u>\$ 2.13</u>		<u>\$ 1.58</u>		<u>\$ 4.51</u>		<u>\$ 3.57</u>	
9850	<b>Diluted earnings per share</b>	6(31)	<u>\$ 2.09</u>		<u>\$ 1.49</u>		<u>\$ 4.40</u>		<u>\$ 3.32</u>	

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

	Equity attributable to shareholders of the parent								
	Notes	Share capital			Retained earnings			Financial statements translation differences of foreign operations	Total
		Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<b>Year 2021</b>									
Balance at January 1, 2021		\$ 825,953	\$ 23,897	\$ 330,595	\$ 546,178	\$ 26,633	\$ 919,497	(\$ 38,975 )	\$ 2,633,778
Profit		-	-	-	-	-	301,173	-	301,173
Other comprehensive income	6(22)	-	-	-	-	-	-	( 29,075 )	( 29,075 )
Total comprehensive income		-	-	-	-	-	301,173	( 29,075 )	272,098
Legal reserve		-	-	-	30,668	-	( 30,668 )	-	-
Special reserve		-	-	-	-	12,341	( 12,341 )	-	-
Cash dividends		-	-	-	-	-	( 216,954 )	-	( 216,954 )
Share-based payments	6(18)(20)	5,440	2,174	12,269	-	-	-	-	19,883
Compensation cost of share-based payments	6(18)(20)	-	-	12,147	-	-	-	-	12,147
Conversion of convertible bonds	6(20)	12,743	95,946	38,759	-	-	-	-	147,448
Balance at September 30, 2021		\$ 844,136	\$ 122,017	\$ 393,770	\$ 576,846	\$ 38,974	\$ 960,707	(\$ 68,050 )	\$ 2,868,400
<b>Year 2022</b>									
Balance at January 1, 2022		\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627 )	\$ 3,078,273
Profit		-	-	-	-	-	406,946	-	406,946
Other comprehensive income	6(22)	-	-	-	-	-	-	86,351	86,351
Total comprehensive income		-	-	-	-	-	406,946	86,351	493,297
Legal reserve		-	-	-	38,658	-	( 38,658 )	-	-
Special reserve		-	-	-	-	37,653	( 37,653 )	-	-
Cash dividends		-	-	-	-	-	( 275,117 )	-	( 275,117 )
Share-based payments	6(18)(20)	2,690	3,169	9,092	-	-	-	-	14,951
Compensation cost of share-based payments	6(18)(20)	-	-	9,667	-	-	-	-	9,667
Conversion of convertible bonds	6(20)	16,496	( 75,094 )	58,598	-	-	-	-	-

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

Other changes in capital surplus	6(20)	<u>-</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>	
Balance at September 30, 2022		<u>\$ 904,015</u>	<u>\$ 3,169</u>	<u>\$ 610,446</u>	<u>\$ 615,504</u>	<u>\$ 76,627</u>	<u>\$ 1,101,634</u>	<u>\$ 9,724</u>	<u>\$ 3,321,119</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 September 30	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 538,477	\$ 396,972
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	( 1,372 )	( 4,854 )
Depreciation	6(5)(6)(28)	70,771	69,604
Depreciation from investment Property	6(8)(26)	372	417
Amortization	6(9)(28)	15,275	12,478
Interest income	6(24)	( 2,174 )	( 1,397 )
Share of profit of associates and joint ventures accounted for under equity method	6(4)	2,675	2,408
Gain on disposal of property, plant and equipment	6(26)	25	( 120 )
Gain on disposal of investments	6(26)	( 11 )	( 291 )
Gain on disposal of subsidiaries	6(26)	-	( 78,854 )
Loss (gain) on lease modification	6(26)	-	( 1 )
Interest expense	6(27)	6,310	5,588
Compensation cost of share-based payments	6(18)(29)	9,667	12,147
Unrealized profit from sales	6(4)	212	( 8 )
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		11	291
Notes receivable		( 5,475 )	( 11,055 )
Accounts receivable (including related parties)		16,405	( 184,248 )
Other receivables		( 7,728 )	( 31,540 )
Inventories		( 614,919 )	( 628,474 )
Prepayments		( 7,646 )	4,052
Other current assets		( 9,353 )	1,185
Changes in liabilities relating to operating activities			
Contract liabilities		51,722	40,205
Notes payables		( 675 )	( 323 )
Accounts payable (including related parties)		( 75,715 )	281,580
Other payables		( 82,586 )	( 24,152 )
Other current liabilities		2,915	( 9,493 )
Other non-current assets		( 417 )	( 1,411 )
Cash outflow generated from operations		( 93,234 )	( 149,294 )
Receipt of interest		1,736	1,555
Payment of interest		( 6,196 )	( 2,663 )
Payment of income tax		( 112,861 )	( 37,099 )
Net cash flows provided by (used in) operating activities		( 210,555 )	( 187,501 )

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CONSOLIDATED STATEMENTS OF CASH FLOWS  
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	Notes	Nine Months Ended September 30	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment	6(32)	(\$ 49,986)	(\$ 79,427)
Proceeds from disposal of property, plant and equipment		38	363
Proceeds from disposal of Investment property		-	125,027
Acquisition of intangible assets	6(9)	( 10,433 )	( 15,065 )
Increase in other non-current assets		( 799 )	467
Net cash flows provided by (used in) investing activities		( 61,180 )	31,365
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from short -term borrowings		3,237,000	363,947
Redemption of short -term borrowings		( 2,904,000 )	( 186,592 )
Proceeds from long-term borrowings		-	55,854
Redemption of long-term borrowings		( 1,125 )	( 40,727 )
Cash dividends paid	6(21)	( 275,117 )	( 216,954 )
Proceeds from exercise of employee stock options		14,951	19,882
Payment of lease liabilities		( 30,161 )	( 29,361 )
Proceeds from Employee Stock Ownership Trust		48	-
Net cash flows provided by (used in) financing activities		41,596	( 33,951 )
Effects due to changes in exchange rate		96,575	( 34,458 )
Increase (Decrease) in cash and cash equivalents		( 133,564 )	( 224,545 )
Cash and cash equivalents at beginning of year		943,871	907,789
Cash and cash equivalents at end of year		\$ 810,307	\$ 683,244

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