

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets
(In Thousands of New Taiwan Dollars)

Accounting Title	2018/6/30	2017/12/31	2017/6/30
Assets			
Current assets			
Cash and cash equivalents	970,996	843,239	813,845
Current financial assets at fair value through profit or loss	136,042	35,006	142,029
Notes receivable, net	18,522	4,014	11,417
Accounts receivable, net	716,083	456,376	479,906
Accounts receivable due from related parties, net	54	6	4
Other receivables	20,397	21,059	32,325
Current tax assets	0	0	0
Current inventories	818,605	730,264	725,424
Prepayments	22,676	20,782	28,766
Other current assets	2,913	150,028	3,669
Total current assets	2,706,288	2,260,774	2,237,385
Non-current assets			
Non-current financial assets at cost	0	923	923
Property, plant and equipment	1,209,439	1,335,402	1,287,869
Investment property, net	140,544	22,858	0
Intangible assets	99,206	104,642	112,048
Deferred tax assets	42,895	39,571	36,365
Other non-current assets	8,232	6,680	8,245
Other non-current assets, others	8,232	6,680	8,245
Total non-current assets	1,500,316	1,510,076	1,445,450
Total assets	4,206,604	3,770,850	3,682,835
Liabilities and equity			
Liabilities			
Current liabilities			
Current borrowings	0	0	0
Current financial liabilities at fair value through profit or loss	1,260	4,998	0
Current contract liabilities	42,088	0	0
Notes payable	432	1,473	42
Accounts payable	608,182	476,730	325,343
Accounts payable to related parties	23,049	12,466	13,430
Other payables	702,392	252,053	488,745
Other payables to related parties	238	0	0
Current tax liabilities	114,162	59,395	64,863
Current provisions	774	774	1,018
Other current liabilities	405,712	432,515	29,011
Total current liabilities	1,898,289	1,240,404	922,452
Non-current liabilities			
Non-current financial liabilities at fair value through profit or loss	0	0	5,712
Bonds payable	0	0	389,446
Non-current portion of non-current borrowings	62,552	63,729	51,967
Deferred tax liabilities	68,444	58,178	49,341
Other non-current liabilities	37,795	38,342	32,341
Total non-current liabilities	168,791	160,249	528,807
Total liabilities	2,067,080	1,400,653	1,451,259

Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	794,180	793,130	790,310
Advance receipts for share capital	0	1,379	0
Total capital stock	794,180	794,509	790,310
Capital surplus			
Total capital surplus	205,369	198,563	190,511
Retained earnings			
Legal reserve	459,789	367,165	367,165
Special reserve	12,914	0	0
Unappropriated retained earnings (accumulated deficit)	672,540	1,022,874	892,785
Total retained earnings	1,145,243	1,390,039	1,259,950
Other equity interest			
Total other equity interest	(5,268)	(12,914)	(9,195)
Total equity attributable to owners of parent	2,139,524	2,370,197	2,231,576
Non-controlling interests	0	0	0
Total equity	2,139,524	2,370,197	2,231,576
Total liabilities and equity	4,206,604	3,770,850	3,682,835
Number of share capital awaiting retirement	0	0	0
Equivalent issue shares of advance receipts for ordinary share	0	57,000	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

Accounting Title	2018/2nd	2017/2nd	2018/01/01 To2018/06/30	2017/01/01 To2017/06/30
Operating revenue				
Total operating revenue	1,387,877	955,825	2,529,112	2,002,657
Operating costs				
Total operating costs	947,454	639,181	1,716,233	1,304,668
Gross profit (loss) from operations	440,423	316,644	812,879	697,989
Gross profit (loss) from operations	440,423	316,644	812,879	697,989
Operating expenses				
Selling expenses	148,208	136,087	282,347	297,023
Administrative expenses	32,529	30,245	57,393	56,298
Research and development expenses	103,156	98,875	193,882	219,564
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(262)	0	(865)	0
Total operating expenses	283,631	265,207	532,757	572,885
Net operating income (loss)	156,792	51,437	280,122	125,104
Non-operating income and expenses				
Other income				
Total other income	6,107	3,289	11,210	9,504
Other gains and losses				
Other gains and losses, net	37,045	773,016	26,204	729,578
Finance costs				
Finance costs, net	2,391	2,231	4,712	4,651
Total non-operating income and expenses	40,761	774,074	32,702	734,431
Profit (loss) from continuing operations before tax	197,553	825,511	312,824	859,535
Tax expense (income)				
Total tax expense (income)	87,475	61,711	119,785	65,478
Profit (loss) from continuing operations	110,078	763,800	193,039	794,057
Profit (loss)	110,078	763,800	193,039	794,057
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	0	0	707	0
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	0	(462)	0
Components of other comprehensive income that will not be reclassified to profit or loss	0	0	1,169	0
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	15,084	11,043	8,973	(28,944)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	3,016	1,877	1,327	(4,921)
Components of other comprehensive income that will be reclassified to profit or loss	12,068	9,166	7,646	(24,023)
Total other comprehensive income	12,068	9,166	8,815	(24,023)
Total comprehensive income	122,146	772,966	201,854	770,034
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	110,078	763,411	193,039	791,382
Profit (loss), attributable to non-controlling interests	0	389	0	2,675
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	122,146	772,647	201,854	768,408
Comprehensive income, attributable to non-controlling interests	0	319	0	1,626
Basic earnings per share				
Total basic earnings per share	1.39	9.66	2.43	10.01
Diluted earnings per share				
Total diluted earnings per share	1.27	8.78	2.23	9.09

Axiomtek Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Accounting Title	2018/01/01 To2018/06/30	2017/01/01 To2017/06/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	312,824	859,535
Profit (loss) before tax	312,824	859,535
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	27,918	24,850
Amortization expense	6,540	8,142
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(865)	307
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,774)	(337)
Interest expense	4,712	4,651
Interest income	(4,033)	(2,676)
Share-based payments	5,315	6,767
Loss (gain) on disposal of property, plan and equipment	0	0
Loss (gain) on disposal of investments	(215)	(766,363)
Total adjustments to reconcile profit (loss)	35,598	(724,659)
Changes in operating assets and liabilities		
Changes in operating assets		
Adjustments for decrease (increase) in financial assets held for trading	(100,785)	102,269
Decrease (increase) in notes receivable	(14,508)	(5,537)
Decrease (increase) in accounts receivable	(258,966)	(644)
Decrease (increase) in other receivable	662	(15,451)
Adjustments for decrease (increase) in inventories	(88,433)	(153,512)
Decrease (increase) in prepayments	(1,894)	(8,554)
Adjustments for decrease (increase) in other current assets	(1,685)	(3,816)
Decrease (increase) in other financial assets	148,800	0
Total changes in operating assets	(316,809)	(85,245)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	10,694	0
Increase (decrease) in notes payable	(1,041)	130
Increase (decrease) in accounts payable	142,035	(47,265)
Increase (decrease) in other payable	21,373	(55,909)
Adjustments for increase (decrease) in other current liabilities	1,120	827
Total changes in operating liabilities	174,181	(102,217)
Total changes in operating assets and liabilities	(142,628)	(187,462)
Total adjustments	(107,030)	(912,121)
Cash inflow (outflow) generated from operations	205,794	(52,586)
Interest received	4,033	2,676
Interest paid	(1,371)	(1,366)
Income taxes refund (paid)	(58,653)	(19,658)
Net cash flows from (used in) operating activities	149,803	(70,934)
Cash flows from (used in) investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive	1,630	0
Proceeds from disposal of subsidiaries	0	801,680
Acquisition of property, plant and equipment	(26,499)	(986,480)
Proceeds from disposal of property, plant and equipment	0	0

Acquisition of intangible assets	(435)	(12,366)
Increase in other non-current assets	(1,243)	(412)
Increase in prepayments for business facilities	(309)	0
Net cash flows from (used in) investing activities	(26,856)	(197,578)
Cash flows from (used in) financing activities		
Increase in short-term loans	2,000	125,000
Decrease in short-term loans	(2,000)	0
Repayments of long-term debt	(2,676)	(2,678)
Decrease in other non-current liabilities	(547)	(149)
Exercise of employee share options	1,162	0
Change in non-controlling interests	0	(40,368)
Net cash flows from (used in) financing activities	(2,061)	81,805
Effect of exchange rate changes on cash and cash equivalents	6,871	4,955
Net increase (decrease) in cash and cash equivalents	127,757	(181,752)
Cash and cash equivalents at beginning of period	843,239	995,597
Cash and cash equivalents at end of period	970,996	813,845
Cash and cash equivalents reported in the statement of financial position	970,996	813,845

2018/06/30 Statement of Stockholders' Equity

	Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	793,130	1,379	794,509	198,563	367,165		1,022,874	1,390,039	(12,914)	0	(12,914)	2,370,197	0	2,370,197
Effects of retrospective application and retrospective restatement							900	900		(900)	(900)	0		0
Equity at beginning of period after adjustments	793,130	1,379	794,509	198,563	367,165		1,023,774	1,390,939	(12,914)	(900)	(13,814)	2,370,197	0	2,370,197
Legal reserve appropriated					92,624		(92,624)	0				0		0
Special reserve appropriated						12,914	(12,914)	0				0		0
Cash dividends of ordinary share							(439,004)	(439,004)				(439,004)		(439,004)
Profit (loss)							193,039	193,039				193,039		193,039
Other comprehensive income							462	462	7,646	707	8,353	8,815		8,815
Total comprehensive income							193,501	193,501	7,646	707	8,353	201,854		201,854
Share-based payments	1,050	(1,379)	(329)	6,806									6,477	6,477
Disposal of investments in equity instruments designated at fair value through other comprehensive income							(193)	(193)		193	193	0		0
Increase (decrease) in equity	1,050	(1,379)	(329)	6,806	92,624	12,914	(351,234)	(245,696)	7,646	900	8,546	(230,673)		(230,673)
Equity at end of period	794,180	0	794,180	205,369	459,789	12,914	672,540	1,145,243	(5,268)	0	(5,268)	2,139,524	0	2,139,524

2017/06/30 Statement of Stockholders' Equity

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	790,310	790,310	183,745	331,163	425,869	757,032	13,779	13,779	1,744,866	38,742	1,783,608
Legal reserve appropriated				36,002	(36,002)	0			0		0
Cash dividends of ordinary share					(288,464)	(288,464)			(288,464)		(288,464)
Profit (loss)					791,382	791,382			791,382	2,675	794,057
Other comprehensive income							(22,974)	(22,974)	(22,974)	(1,049)	(24,023)
Total comprehensive income					791,382	791,382	(22,974)	(22,974)	768,408	1,626	770,034
Share-based payments			6,767						6,767		6,767
Changes in non-controlling interests			(1)						(1)	(40,368)	(40,369)
Increase (decrease) in equity			6,766	36,002	466,916	502,918	(22,974)	(22,974)	486,710	(38,742)	447,968
Equity at end of period	790,310	790,310	190,511	367,165	892,785	1,259,950	(9,195)	(9,195)	2,231,576	0	2,231,576