

**ASolid Technology Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2021 and 2020 and  
Independent Auditors' Review Report**

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6 and 28)	\$ 725,271	54	\$ 524,603	42	\$ 412,110	32
Financial assets at amortized cost--current (Note 7,28 and 29)	25,051	2	25,049	2	25,032	2
Accounts Receivable						
Non-related parties (Note 8,20 and 28)						
Other receivables (Note 8 and 28)	210,228	16	231,827	18	292,636	23
Tax assets (Notes 23)	-	-	-	-	4,390	-
Inventories (Note 9)	-	-	-	-	35	-
Prepayments	230,189	17	324,643	26	377,778	29
Other current assets (Note 14 and 30)	12,106	1	12,587	1	24,625	2
Total current assets	<u>340</u>	<u>-</u>	<u>369</u>	<u>-</u>	<u>1,027</u>	<u>-</u>
	<u>1,203,185</u>	<u>90</u>	<u>1,119,078</u>	<u>89</u>	<u>1,137,633</u>	<u>88</u>
NON-CURRENT ASSETS						
Property, plant and equipment (Note 11 and 30)	86,925	7	88,568	7	88,249	7
Goodwill (Note 14)	-	-	-	-	5,139	-
Intangible assets (Note 15)	24,240	2	30,743	3	47,024	4
Deferred tax assets (Note 23)						
	17,092	1	17,092	1	15,533	1
Guarantee deposits paid (Note 28)	<u>2,347</u>	<u>-</u>	<u>2,125</u>	<u>-</u>	<u>1,561</u>	<u>-</u>
Total non-current assets	<u>130,604</u>	<u>10</u>	<u>138,528</u>	<u>11</u>	<u>157,506</u>	<u>12</u>
TOTAL ASSETS	<u>\$ 1,333,789</u>	<u>100</u>	<u>\$ 1,257,606</u>	<u>100</u>	<u>\$ 1,295,139</u>	<u>100</u>

LIABILITIES AND EQUITY	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 15 and 28)	\$ 84,900	7	\$ 126,450	10	\$ 157,196	12
Contract liability-current (Note 17 and 21)	3,985	-	7,077	1	16,319	1
Notes payable						
Non-related parties (Note 16 and 28)	-	-	1,181	-	-	-
Accounts payable-						
Non related parties (Note 16 and 28)	84,989	7	68,628	6	71,851	6
Other payables (Note 18 and 28)	70,855	5	62,012	5	65,691	5
Tax payable (Note 4 and 23)	17,786	1	4,786	-	12,826	1
Other current liabilities (Note 18)	<u>1,897</u>	<u>-</u>	<u>1,868</u>	<u>-</u>	<u>608</u>	<u>-</u>
Total current liabilities	<u>264,412</u>	<u>20</u>	<u>272,002</u>	<u>22</u>	<u>324,491</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 23)	3,749	-	3,749	-	4,083	-
Guarantee deposits received(Note 28)	<u>114</u>	<u>-</u>	<u>114</u>	<u>-</u>	<u>114</u>	<u>-</u>
Total non-current liabilities	<u>3,863</u>	<u>-</u>	<u>3,863</u>	<u>-</u>	<u>4,197</u>	<u>-</u>
Total liabilities	<u>268,275</u>	<u>20</u>	<u>275,865</u>	<u>22</u>	<u>328,688</u>	<u>25</u>
EQUITY ATTRIBUTABLE TO OWNERS						
OF THE CORPORATION (Notes 20)	<u>404,435</u>	<u>30</u>	<u>393,835</u>	<u>31</u>	<u>393,835</u>	<u>30</u>
Share capita						
Common shares	421,264	31	390,344	31	390,344	30
Capital surplus	<u>21,859</u>	<u>2</u>	<u>27,549</u>	<u>2</u>	<u>19,951</u>	<u>2</u>
Additional paid-in capital	<u>443,123</u>	<u>33</u>	<u>417,893</u>	<u>33</u>	<u>410,295</u>	<u>32</u>
Employee share options						
Total capital surplus	55,219	4	55,219	4	49,104	4
Retained earnings	<u>166,603</u>	<u>13</u>	<u>118,230</u>	<u>10</u>	<u>114,912</u>	<u>9</u>
Legal reserve	<u>221,822</u>	<u>17</u>	<u>173,449</u>	<u>14</u>	<u>164,016</u>	<u>13</u>
Unappropriated earnings	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>11</u>	<u>-</u>
Total retained earnings	1,069,390	80	985,187	78	968,157	75
Other equity						
Total equity attributable to owner of the company	( <u>3,876</u> )	<u>-</u>	( <u>3,446</u> )	<u>-</u>	( <u>1,706</u> )	<u>-</u>
NON-CONTROLLING INTERESTS	<u>1,065,514</u>	<u>80</u>	<u>981,741</u>	<u>78</u>	<u>966,451</u>	<u>75</u>
Total equity	<u>\$ 1,333,789</u>	<u>100</u>	<u>\$ 1,257,606</u>	<u>100</u>	<u>\$ 1,295,139</u>	<u>100</u>

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

# ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 356,566	100	\$ 227,355	100
OPERATING COSTS (Note 9)	<u>(171,526)</u>	<u>(48)</u>	<u>(110,781)</u>	<u>(49)</u>
GROSS PROFIT	<u>185,040</u>	<u>52</u>	<u>116,574</u>	<u>51</u>
OPERATING EXPENSES (Note 22)				
Marketing	(21,220)	(6)	(15,981)	(7)
General and administrative	(18,084)	(5)	(19,019)	(8)
Research and development	(77,731)	(22)	(75,163)	(33)
Reversal of expected credit losses	<u>(2,311)</u>	<u>(1)</u>	<u>(6,000)</u>	<u>(3)</u>
Total operating expenses	<u>(119,346)</u>	<u>(34)</u>	<u>(116,163)</u>	<u>(51)</u>
OPERATING INCOME	<u>65,694</u>	<u>18</u>	<u>411</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	6	-	10	-
Other income	241	-	131	-
Other gains and losses	(4,634)	(1)	4,210	2
Financial costs	<u>(364)</u>	<u>-</u>	<u>(1,580)</u>	<u>-</u>
Total non-operating income and expenses	<u>(4,751)</u>	<u>(1)</u>	<u>2,771</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	60,943	17	3,182	2
INCOME TAX EXPENSE (Note 23)	<u>(13,000)</u>	<u>(4)</u>	<u>(1,400)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>47,943</u>	<u>13</u>	<u>1,782</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$47,943</u>	<u>13</u>	<u>\$1,782</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTED TO:				
Owners of the Company	\$48,373	13	\$3,244	2
Non-controlling interests	<u>(430)</u>	<u>-</u>	<u>(1,462)</u>	<u>(1)</u>
	<u>\$47,943</u>	<u>13</u>	<u>\$1,782</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:				
Owners of the Company	\$48,373	13	\$3,244	2
Non-controlling interests	<u>(430)</u>	<u>-</u>	<u>(1,462)</u>	<u>(1)</u>
	<u>\$47,943</u>	<u>13</u>	<u>\$1,782</u>	<u>1</u>
EARNINGS PER SHARE ; NEW TAIWAN DOLLARS (Note 24)				
Basic	<u>\$1.21</u>		<u>\$0.08</u>	
Diluted	<u>\$1.21</u>		<u>\$0.08</u>	

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated May 7, 2021)

# ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity Exchange Differences on Translating Foreign Operations	Non-controlling Interests	Total Equity
	Share Capital		Capital surplus		Retained Earnings				
	Shares (In thousands)	Capital Share	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2020	39,384	\$ 393,835	\$ 390,344	\$ 17,609	\$ 49,104	\$ 111,668	\$ 11	( \$ 244 )	\$ 962,327
Net income (loss) for the three months ended March 31, 2020	-	-	-	-	-	3,244	-	( 1,462 )	1,782
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	3,244	-	( 1,462 )	1,782
Share-based payment transaction	-	-	-	2,342	-	-	-	-	2,342
BALANCE, MARCH 31, 2020	39,384	\$ 393,835	\$ 390,344	\$ 19,951	\$ 49,104	\$ 114,912	\$ 11	( \$ 1,706 )	\$ 966,451
BALANCE, JANUARY 1, 2021	39,384	\$ 393,835	\$ 390,344	\$ 27,549	\$ 55,219	\$ 118,230	\$ 10	( \$ 3,446 )	\$ 981,741
Net income (loss) for the three months ended March 31, 2021	-	-	-	-	-	48,373	-	( 430 )	47,943
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	48,373	-	( 430 )	47,943
Share-based payment transaction	1,060	10,600	30,920	( 5,690 )	-	-	-	-	35,830
BALANCE, MARCH 31, 2021	40,444	\$ 404,435	\$ 421,264	\$ 21,859	\$ 55,219	\$ 166,603	\$ 10	( \$ 3,876 )	\$ 1,065,514

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

# ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31,2021	Three Months Ended March 31,2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	\$ 60,943	\$ 3,182
Adjustments for :		
Depreciation expenses	1,837	1,838
Amortization expense	6,503	6,674
Expected credit losses	2,311	6,000
Finance costs	364	1,580
Interest income	( 6 )	( 10 )
Compensation cost of employee share options	2,122	2,342
Net loss (gain) on foreign currency exchange	1,320	( 172 )
Net changes related to operating assets and liabilities		
Accounts receivable	24,962	( 40,721 )
Other receivables	-	( 4,295 )
Inventories	94,454	22,887
Prepayments	481	( 12,195 )
Other current assets	29	274
Contract liabilities	( 3,092 )	12,880
Notes payable	( 1,181 )	-
Accounts payable	14,577	( 83,416 )
Other payables	8,843	( 1,916 )
Other current liabilities	29	59
Cash generated from operations	214,496	( 85,009 )
Interest paid	( 364 )	( 1,580 )
Net cash (used in) generated from operating activities	<u>214,132</u>	<u>( 86,589 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	( 2 )	-
Payment for property, plant and equipment	( 194 )	( 1,948 )
Increase in refundable deposits	( 224 )	-
Payment for intangible assets	-	( 15,301 )
Interest received	6	7
Net cash used in investing activities	<u>( 414 )</u>	<u>( 17,242 )</u>

(Continued)

	<b>Three Months Ended March 31,2021</b>	<b>Three Months Ended March 31,2020</b>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 127,230	\$ 261,001
Decrease in short-term loans	( 171,114 )	( 256,413 )
Exercise of employee share options	<u>33,708</u>	<u>-</u>
Net cash generated from (used in) financing activities	( <u>10,176</u> )	<u>4,588</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	( <u>2,874</u> )	<u>2,803</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	200,668	( 96,440 )
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>524,603</u>	<u>508,550</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 725,271</u>	<u>\$ 412,110</u>

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

(Concluded)