

ASolid Technology Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2021 and 2020 and
Independent Auditors' Review Report**

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020, AND JUNE 30, 2020
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6 and 28)	\$ 949,635	60	\$ 524,603	42	\$ 468,778	37
Financial assets at amortized cost--current (Note 7,28 and 30)	25,057	1	25,049	2	25,044	2
Notes Receivable						
Non-related parties (Note 8 and 28)	20	-	-	-	-	-
Accounts Receivable						
Non-related parties (Note 8,21 and 28)	229,623	14	231,827	18	167,529	13
Other receivables (Note 8 and 28)	2,834	-	-	-	13,721	1
Tax assets (Notes 23)	6	-	-	-	44	-
Inventories (Note 9)	250,097	16	324,643	26	424,269	34
Prepayments	12,358	1	12,587	1	12,571	1
Other current assets (Note 15)	336	-	369	-	1,016	-
Total current assets	<u>1,469,966</u>	<u>92</u>	<u>1,119,078</u>	<u>89</u>	<u>1,112,972</u>	<u>88</u>
NON-CURRENT ASSETS						
Property, plant and equipment (Note 11 and 30)	85,782	6	88,568	7	89,861	7
Goodwill (Note 14)	-	-	-	-	5,139	-
Intangible assets (Note 13)	18,226	1	30,743	3	44,591	4
Deferred tax assets	17,092	1	17,092	1	15,533	1
Guarantee deposits paid (Note 28)	<u>2,141</u>	<u>-</u>	<u>2,125</u>	<u>-</u>	<u>2,361</u>	<u>-</u>
Total non-current assets	<u>123,241</u>	<u>8</u>	<u>138,528</u>	<u>11</u>	<u>157,485</u>	<u>12</u>
TOTAL ASSETS	<u>\$1,593,207</u>	<u>100</u>	<u>\$1,257,606</u>	<u>100</u>	<u>\$1,270,457</u>	<u>100</u>
LIABILITIES AND EQUITY	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 16 and 28)	\$ 124,650	8	\$ 126,450	10	\$ 103,705	8
Contract liability-current (Note 21)	3,161	-	7,077	1	13,963	1
Notes payable						
Non-related parties (Note 17 and 28)	-	-	1,181	-	-	-
Accounts payable-						
Non related parties (Note 17 and 28)	158,351	10	68,628	6	123,845	10
Other payables (Note 18 and 28)	93,616	6	62,012	5	77,180	6
Tax payable (Note 23)	40,000	3	4,786	-	-	-
Other current liabilities (Note 18)	<u>1,943</u>	<u>-</u>	<u>1,868</u>	<u>-</u>	<u>1,931</u>	<u>-</u>
Total current liabilities	<u>421,721</u>	<u>27</u>	<u>272,002</u>	<u>22</u>	<u>320,624</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	3,749	-	3,749	-	4,083	1
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>1</u>
Total liabilities	<u>425,584</u>	<u>27</u>	<u>275,865</u>	<u>22</u>	<u>324,821</u>	<u>26</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20)						
Common shares	<u>404,435</u>	<u>25</u>	<u>393,835</u>	<u>31</u>	<u>393,835</u>	<u>31</u>
Capital surplus						
Additional paid-in capital	421,264	27	390,344	31	390,344	30
Employee share options	<u>20,002</u>	<u>1</u>	<u>27,549</u>	<u>2</u>	<u>22,484</u>	<u>2</u>
Total capital surplus	<u>441,266</u>	<u>28</u>	<u>417,893</u>	<u>33</u>	<u>412,828</u>	<u>32</u>
Retained earnings						
Legal reserve	55,219	3	55,219	4	55,219	4
Unappropriated earnings	<u>270,892</u>	<u>17</u>	<u>118,230</u>	<u>10</u>	<u>86,708</u>	<u>7</u>
Total retained earnings	<u>326,111</u>	<u>20</u>	<u>173,449</u>	<u>14</u>	<u>141,927</u>	<u>11</u>
Other equity	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>11</u>	<u>-</u>
Total equity attributable to owner of the company	1,171,822	73	985,187	78	948,601	74
NON-CONTROLLING INTERESTS	(<u>4,199</u>)	<u>-</u>	(<u>3,446</u>)	<u>-</u>	(<u>2,965</u>)	<u>-</u>
Total equity	<u>1,167,623</u>	<u>73</u>	<u>981,741</u>	<u>78</u>	<u>945,636</u>	<u>74</u>
TOTAL LIABILITIES AND EQUITY	<u>\$1,593,207</u>	<u>100</u>	<u>\$1,257,606</u>	<u>100</u>	<u>\$1,270,457</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 6, 2021)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended June 30, 2021		Three Months Ended June 30, 2020		Six Months Ended June 30, 2021		Six Months Ended June 30, 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 454,815	100	\$ 156,696	100	\$ 811,381	100	\$ 384,051	100
OPERATING COSTS (Note 9)	(188,630)	(41)	(78,446)	(50)	(360,156)	(45)	(189,227)	(49)
GROSS PROFIT	266,185	59	78,250	50	451,225	55	194,824	51
OPERATING EXPENSES (Note 22 and 29)								
Marketing	(24,024)	(5)	(16,001)	(10)	(45,244)	(5)	(31,982)	(8)
General and administrative	(19,937)	(5)	(17,671)	(12)	(38,021)	(5)	(36,690)	(10)
Research and development	(82,407)	(18)	(67,695)	(43)	(160,138)	(20)	(142,858)	(37)
Reversal of expected creditlosses	(8,000)	(2)	-	-	(10,311)	(1)	(6,000)	(2)
Total operating expenses	(134,368)	(30)	(101,367)	(65)	(253,714)	(31)	(217,530)	(57)
OPERATING INCOME	131,817	29	(23,117)	(15)	197,511	24	(22,706)	(6)
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	83	-	121	-	89	-	131	-
Other income	130	-	15,618	10	371	-	15,749	4
Other gains and losses	495	-	5,115	3	(4,139)	-	9,325	3
Financial costs	(236)	-	(972)	-	(600)	-	(2,552)	(1)
Total non-operating income and expenses	472	-	19,882	13	(4,279)	-	22,653	6
PROFIT BEFORE INCOME TAX	132,289	29	(3,235)	(2)	193,232	24	(53)	-
INCOME TAX EXPENSE (Note 23)	(28,323)	(6)	(421)	-	(41,323)	(5)	(1,821)	-
NET PROFIT FOR THE PERIOD	103,966	23	(3,656)	(2)	151,909	19	(1,874)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 103,966	23	(\$ 3,656)	(2)	\$ 151,909	19	(\$ 1,874)	-
NET PROFIT (LOSS) ATTRIBUTED TO:								
Owners of the Company	\$ 104,289	23	(\$ 2,397)	(1)	\$ 152,662	19	\$ 847	-
Non-controlling interests	(323)	-	(1,259)	(1)	(753)	-	(2,721)	-
	\$ 103,966	23	(\$ 3,656)	(2)	\$ 151,909	19	(\$ 1,874)	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:								
Owners of the Company	\$ 104,289	23	(\$ 2,397)	(1)	\$ 152,662	19	\$ 847	-

Non-controlling interests	(<u>323</u>)	<u>-</u>	(<u>1,259</u>)	(<u>1</u>)	(<u>753</u>)	<u>-</u>	(<u>2,721</u>)	<u>-</u>
	<u>\$ 103,966</u>	<u>23</u>	(<u>\$ 3,656</u>)	(<u>2</u>)	<u>\$ 151,909</u>	<u>19</u>	(<u>\$ 1,874</u>)	<u>-</u>

EARNINGS PER SHARE ;
NEW TAIWAN DOLLARS
(Note 24)

Basic	<u>\$ 2.58</u>	(<u>\$ 0.06</u>)	<u>\$ 3.79</u>	<u>\$ 0.02</u>
Diluted	<u>\$ 2.40</u>	(<u>\$ 0.06</u>)	<u>\$ 3.52</u>	<u>\$ 0.02</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated August 6, 2021)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity		
	Share Capital		Capital surplus		Retained Earnings		Exchange Differences on Translating the Financial Statements of	Non-controlling Interests	Total Equity
	Shares (In thousands)	Capital Share	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unappropriated Earnings	Foreign Operations		
BALANCE, JANUARY 1, 2020	39,384	\$ 393,835	\$ 390,344	\$ 17,609	\$ 49,104	\$ 111,668	\$ 11	(\$ 244)	\$ 962,327
Appropriations of 2019 earnings									
Legal capital reserve	-	-	-	-	6,115	(6,115)	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(19,692)	-	-	(19,692)
Net profit for the six months ended June 30, 2020	-	-	-	-	-	847	-	(2,721)	(1,874)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	847	-	(2,721)	(1,874)
Share-based payment transaction	-	-	-	4,875	-	-	-	-	4,875
BALANCE, JUNE 30, 2020	<u>39,384</u>	<u>\$ 393,835</u>	<u>\$ 390,344</u>	<u>\$ 22,484</u>	<u>\$ 55,219</u>	<u>\$ 86,708</u>	<u>\$ 11</u>	<u>(\$ 2,965)</u>	<u>\$ 945,636</u>
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 six months ended June 30, 2021	-	-	-	-	-	152,662	-	(753)	151,909
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	152,662	-	(753)	151,909
Share-based payment transaction	1,060	10,600	30,920	(7,547)	-	-	-	-	33,973
BALANCE, JUNE 30, 2021	<u>40,444</u>	<u>\$ 404,435</u>	<u>\$ 421,264</u>	<u>\$ 20,002</u>	<u>\$ 55,219</u>	<u>\$ 270,892</u>	<u>\$ 10</u>	<u>(\$ 4,199)</u>	<u>\$ 1,167,623</u>

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ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	<u>Six Months Ended June 30,2021</u>	<u>Six Months Ended June 30,2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	\$ 193,232	(\$ 53)
Adjustments for :		
Depreciation expenses	3,615	3,815
Amortization expense	12,517	13,460
Expected credit losses	10,311	6,000
Finance costs	600	2,552
Interest income	(89)	(131)
Compensation cost of employee share options	265	4,875
Net loss (gain) on foreign currency exchange	-	2,310
Net changes related to operating assets and liabilities	2,038	(4,895)
CASH FLOWS FROM OPERATING ACTIVITIES		
Notes receivable	(20)	-
Accounts receivable	(3,660)	83,115
Other receivables	(2,834)	(13,539)
Inventories	74,546	(25,914)
Other current assets	33	285
Prepayments	229	(141)
Contract liabilities	(3,916)	10,524
Notes payable	(1,181)	-
Accounts payable	88,696	(27,829)
Other payables	36,441	(10,206)
Other current liabilities	<u>75</u>	<u>1,382</u>
Cash generated from operations	410,898	45,610
Interest paid	(600)	(2,552)
Income tax paid	(<u>10,901</u>)	(<u>13,256</u>)
Net cash (used in) generated from operating activities	<u>399,397</u>	<u>29,802</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(8)	-
Payment for property, plant and equipment	(879)	(5,539)

(Continued)

	Six Months Ended June 30,2021	Six Months Ended June 30,2020
Increase in refundable deposits	(224)	(804)
Payment for intangible assets	-	(19,654)
Interest received	<u>89</u>	<u>116</u>
Net cash used in investing activities	(<u>1,022</u>)	(<u>25,881</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	294,758	455,567
Decrease in short-term loans	(298,349)	(502,862)
Exercise of employee share options	<u>33,708</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>30,117</u>	(<u>47,295</u>)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>3,460</u>)	<u>3,602</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	425,032	(39,772)
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><u>\$ 949,635</u></u>	<u><u>\$ 468,778</u></u>

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(With Deloitte & Touche review report dated August 6, 2021)

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