



ASolid Technology Co., Ltd. and Subsidiaries

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

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

ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)		LIABILITIES AND EQUITY	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6 and 30)	\$ 1,039,209	56	\$ 524,603	42	\$ 430,691	33	Short-term borrowings (Note 16 and 30)	\$ 83,130	5	\$ 126,450	10	\$ 87,300	7
Financial assets at amortized cost--current (Note 7,30 and 32)	25,060	1	25,049	2	25,043	2	Contract liability-current (Note 21)	3,201	-	7,077	1	38,454	3
Accounts Receivable							Notes payable						
Non-related parties (Note 8,21 and 30)	335,142	18	231,827	18	229,789	18	Non-related parties (Note 17 and 30)	-	-	1,181	-	-	-
Other receivables (Note 8 and 30)	9,060	-	-	-	12,441	1	Accounts payable-						
Tax assets (Notes 4 and 23)	-	-	-	-	44	-	Non related parties (Note 17 and 30)	239,006	13	68,628	6	132,978	10
Inventories (Note 9)	313,407	17	324,643	26	419,041	33	Other payables (Note 18 and 30)	134,983	7	62,012	5	57,955	4
Prepayments	12,445	1	12,587	1	14,601	1	Tax payable (Note 4 and 23)	71,436	4	4,786	-	1,000	-
Other current assets (Note 15)	361	-	369	-	2,722	-	Other current liabilities (Note 18)	998	-	1,868	-	7,470	1
Total current assets	<u>1,734,684</u>	<u>93</u>	<u>1,119,078</u>	<u>89</u>	<u>1,134,372</u>	<u>88</u>	Total current liabilities	<u>532,754</u>	<u>29</u>	<u>272,002</u>	<u>22</u>	<u>325,157</u>	<u>25</u>
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Property, plant and equipment (Note 11 and 32)	86,042	5	88,568	7	88,603	7	Deferred tax liabilities (Note 4 and 23)	3,115	-	3,749	-	4,874	1
Goodwill (Note 14)	-	-	-	-	5,139	1	Guarantee deposits received(Note 30)	114	-	114	-	114	-
Intangible assets (Note 13)	27,442	1	30,743	3	37,648	3	Total non-current liabilities	<u>3,229</u>	<u>-</u>	<u>3,863</u>	<u>-</u>	<u>4,988</u>	<u>1</u>
Deferred tax assets (Note 4 and 23)	16,459	1	17,092	1	16,324	1	Total liabilities	<u>535,983</u>	<u>29</u>	<u>275,865</u>	<u>22</u>	<u>330,145</u>	<u>26</u>
Guarantee deposits paid (Note 30)	2,068	-	2,125	-	2,366	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20)						
Total non-current assets	<u>132,011</u>	<u>7</u>	<u>138,528</u>	<u>11</u>	<u>150,080</u>	<u>12</u>	Capital						
							Common shares	404,435	22	393,835	31	393,835	31
							Capital collected in advance	4,180	-	-	-	-	-
							Total capital	<u>408,615</u>	<u>22</u>	<u>393,835</u>	<u>31</u>	<u>393,835</u>	<u>31</u>
							Capital surplus						
							Additional paid-in capital	433,720	23	390,344	31	390,344	30
							Employee share options	18,619	1	27,549	2	25,017	2
							Total capital surplus	<u>452,339</u>	<u>24</u>	<u>417,893</u>	<u>33</u>	<u>415,361</u>	<u>32</u>
							Retained earnings						
							Legal reserve	58,456	3	55,219	4	55,219	4
							Unappropriated earnings	410,662	22	118,230	10	94,123	7
							Total retained earnings	<u>469,118</u>	<u>25</u>	<u>173,449</u>	<u>14</u>	<u>149,342</u>	<u>11</u>
							Other equity	16	-	10	-	11	-
							Total equity attributable to owner of the company	1,330,088	71	985,187	78	958,549	74
							NON-CONTROLLING INTERESTS	624	-	(3,446)	-	(4,242)	-
							Total equity	<u>1,330,712</u>	<u>71</u>	<u>981,741</u>	<u>78</u>	<u>954,307</u>	<u>74</u>
TOTAL ASSETS	<u>\$1,866,695</u>	<u>100</u>	<u>\$1,257,606</u>	<u>100</u>	<u>\$1,284,452</u>	<u>100</u>	TOTAL LIABILITIES AND EQUITY	<u>\$1,866,695</u>	<u>100</u>	<u>\$1,257,606</u>	<u>100</u>	<u>\$1,284,452</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 5, 2021)

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

	Three Months Ended September 30,2021		Three Months Ended September 30,2020		Nine Months Ended September 30,2021		Nine Months Ended September 30,2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 546,361	100	\$ 252,691	100	\$ 1,357,742	100	\$ 636,742	100
OPERATING COSTS (Note 9 and 22)	(204,104)	(38)	(135,836)	(54)	(564,260)	(42)	(325,063)	(51)
GROSS PROFIT	342,257	62	116,855	46	793,482	58	311,679	49
OPERATING EXPENSES (Note 8 and 22)								
Marketing	(27,700)	(5)	(17,044)	(7)	(72,944)	(5)	(49,026)	(8)
General and administrative	(15,391)	(3)	(19,080)	(7)	(53,412)	(4)	(55,770)	(9)
Research and development	(100,297)	(18)	(77,709)	(31)	(260,435)	(19)	(220,567)	(34)
Reversal of expected creditlosses	-	-	-	-	(10,311)	(1)	(6,000)	(1)
Total operating expenses	(143,388)	(26)	(113,833)	(45)	(397,102)	(29)	(331,363)	(52)
OPERATING INCOME	198,869	36	3,022	1	396,380	29	(19,684)	(3)
NON-OPERATING INCOME AND EXPENSES (Note 22 and 26)								
Interest income	8	-	9	-	97	-	140	-
Other income	2,120	-	65	-	2,491	-	15,814	2
Other gains and losses	2,997	1	4,483	2	(1,142)	-	13,808	2
Financial costs	(274)	-	(441)	-	(874)	-	(2,993)	-
Total non-operating income and expenses	4,851	1	4,116	2	572	-	26,769	4
PROFIT BEFORE INCOME TAX	203,720	37	7,138	3	396,952	29	7,085	1
INCOME TAX EXPENSE (Note 4 and 23)	(37,500)	(7)	(1,000)	(1)	(78,823)	(6)	(2,821)	-
NET PROFIT FOR THE PERIOD	166,220	30	6,138	2	318,129	23	4,264	1
OTHER COMPREHENSIVE INCOME								
Items likely to be reclassified to profit or loss in subsequent period :								
Exchange differences on translation of foreign financial statements	1	-	-	-	1	-	-	-
Total other comprehensive income	1	-	-	-	1	-	-	-

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 166,221</u>	<u>30</u>	<u>\$ 6,138</u>	<u>2</u>	<u>\$ 318,130</u>	<u>23</u>	<u>\$ 4,264</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTED TO:								
Owners of the Company	\$ 163,091	30	\$ 7,415	3	\$ 315,753	23	\$ 8,262	1
Non-controlling interests	<u>3,129</u>	<u>-</u>	<u>(1,277)</u>	<u>(1)</u>	<u>2,376</u>	<u>-</u>	<u>(3,998)</u>	<u>-</u>
	<u>\$ 166,221</u>	<u>30</u>	<u>\$ 6,138</u>	<u>2</u>	<u>\$ 318,129</u>	<u>23</u>	<u>\$ 4,264</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:								
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Non-controlling interests	<u>3,129</u>	<u>-</u>	<u>(1,277)</u>	<u>(1)</u>	<u>2,376</u>	<u>-</u>	<u>(3,998)</u>	<u>-</u>
	<u>\$ 166,221</u>	<u>30</u>	<u>\$ 6,138</u>	<u>2</u>	<u>\$ 318,130</u>	<u>23</u>	<u>\$ 4,264</u>	<u>1</u>
EARNINGS PER SHARE ; NEW TAIWAN DOLLARS (Note 24)								
Basic	<u>\$ 3.99</u>		<u>\$ 0.19</u>		<u>\$ 7.83</u>		<u>\$ 0.21</u>	
Diluted	<u>\$ 3.73</u>		<u>\$ 0.19</u>		<u>\$ 7.31</u>		<u>\$ 0.21</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated November 5, 2021)

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Corporation

	Equity Attributable to Owners of the Corporation							Other Equity		Total Equity
	Share Capital			Capital surplus		Retained Earnings		Exchange	Differences	
	Shares (In thousands)	Capital Share	capital collected in advance	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unappropriated Earnings	on Translating the Financial Statements of	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 September 30, 2020	-	-	-	-	-	-	8,262	-	(3,998)	4,264
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	8,262	-	(3,998)	4,264
Share-based payment transaction	-	-	-	-	7,408	-	-	-	-	7,408
BALANCE, SEPTEMBER 30, 2020	<u>\$ 39,384</u>	<u>\$ 393,835</u>	<u>\$ -</u>	<u>\$ 390,344</u>	<u>\$ 25,017</u>	<u>\$ 55,219</u>	<u>\$ 94,123</u>	<u>\$ 11</u>	<u>(\$ 4,242)</u>	<u>\$ 945,307</u>
BALANCE, JANUARY 1, 2021	39,384	\$ 393,835	-	\$ 390,344	\$ 27,549	\$ 55,219	\$ 118,230	\$ 10	(\$ 3,446)	\$ 981,741
Appropriations of 2020 earnings										
Legal capital reserve	-	-	-	-	-	3,237	(3,237)	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(19,692)	-	-	(19,692)
Net income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	315,753	-	2,376	318,129
Comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-	1	-	1
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	315,753	1	2,376	318,130
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	(11)	1,666	1,655
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(392)	16	28	(348)
Share-based payment transaction	1,060	10,600	4,180	43,376	(8,930)	-	-	-	-	49,226
BALANCE, SEPTEMBER 30, 2021	<u>40,444</u>	<u>\$ 404,435</u>	<u>\$ 4,180</u>	<u>\$ 433,720</u>	<u>\$ 18,619</u>	<u>\$ 58,456</u>	<u>\$ 410,662</u>	<u>\$ 16</u>	<u>\$ 624</u>	<u>\$ 1,330,712</u>

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(With Deloitte & Touche review report dated November 5, 2021)

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	<u>Nine Months Ended September 30,2021</u>	<u>Nine Months Ended September 30,2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	\$ 396,952	\$ 7,085
Adjustments for :		
Depreciation expenses	5,427	5,813
Amortization expense	11,251	20,403
Expected credit losses	10,311	6,000
Finance costs	874	2,993
Interest income	(97)	(140)
Compensation cost of employee share options	2,225	7,408
Net loss (gain) on foreign currency exchange	3,000	14,451
Net changes related to operating assets and liabilities	3,436	(2,850)
CASH FLOWS FROM OPERATING ACTIVITIES		
Accounts receivable	(117,309)	19,560
Other receivables	(9,060)	(12,259)
Inventories	8,236	(32,827)
Other current assets	8	(3,781)
Prepayments	142	(2,171)
Contract liabilities	(3,876)	35,015
Notes payable	(1,181)	-
Accounts payable	171,063	(18,223)
Other payables	72,941	(5,019)
Other current liabilities	(870)	6,921
Cash generated from operations	553,473	48,379
Interest paid	(874)	(2,993)
Income tax paid	(12,174)	(15,616)
Net cash (used in) generated from operating activities	<u>540,425</u>	<u>29,770</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(11)	-
Net cash outflow from acquiring subsidiaries	(348)	-
Payment for property, plant and equipment	(2,870)	(6,278)

(Continued)

	Nine Months Ended September 30,2021	Nine Months Ended September 30,2020
Increase in refundable deposits	(224)	(804)
Payment for intangible assets	(7,950)	(19,654)
Interest received	<u>97</u>	<u>126</u>
Net cash used in investing activities	<u>(11,306)</u>	<u>(26,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	378,458	646,622
Decrease in short-term loans	(423,302)	(709,795)
Cash dividends paid	(19,692)	(19,692)
Exercise of employee share options	<u>47,001</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(17,535)</u>	<u>(82,865)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>3,022</u>	<u>1,846</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	514,606	(77,859)
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>\$ 1,039,209</u>	<u>\$ 430,691</u>

The accompanying notes are an integral part of these consolidated financial statements.
(With Deloitte & Touche review report dated November 5, 2021)

(Concluded)