

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2014/3/31	2013/12/31	2013/3/31
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	502,823	377,117	411,159
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	18,012	127,031	30,506
Notes receivable, net			
Notes receivable, net	2,705	10,436	6,191
Accounts receivable, net			
Accounts receivable, net	526,610	458,242	456,200
Other receivables			
Other receivables, net	33,242	21,139	25,170
Inventories			
Total inventories	835,416	652,487	623,375
Prepayments			
Total prepayments	18,630	12,607	18,759
Other current assets			
Total other current assets	9,131	4,836	5,810
Total current assets	1,946,569	1,663,895	1,577,170
Non-current assets			
Non-current financial assets at cost			
Non-current financial assets at cost, net	923	923	923
Property, plant and equipment			
Total property, plant and equipment	347,072	343,264	345,453
Intangible assets			
Total intangible assets	132,831	133,608	130,271
Deferred tax assets			
Total deferred tax assets	32,615	31,625	36,755
Other non-current assets			
Total other non-current assets	12,533	13,093	10,439
Total non-current assets	525,974	522,513	523,841
Total assets	2,472,543	2,186,408	2,101,011
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	0	2,000	0
Short-term notes and bills payable			
Total short-term notes and bills payable	0	0	4,997
Notes payable			
Total notes payable	286	182	99
Accounts payable			
Total accounts payable	409,490	308,298	303,198
Accounts payable to related parties			
Total accounts payable to related parties	21,464	6,579	15,616
Other payables			
Total other payables	234,289	259,960	229,108
Current tax liabilities			
Total current tax liabilities	82,682	47,141	44,959
Other current liabilities			
Total other current liabilities	45,561	15,141	27,191
Total current liabilities	793,772	639,301	625,168
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	55,117	53,914	55,704
Deferred tax liabilities			
Total deferred tax liabilities	52,504	49,809	45,518
Other non-current liabilities			
Total other non-current liabilities	42,581	42,873	41,994
Total non-current liabilities	150,202	146,596	143,216
Total liabilities	943,974	785,897	768,384
Equity			
Equity attributable to shareholders of the parent			

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Item	<u>2014/3/31</u>	<u>2013/12/31</u>	<u>2013/3/31</u>
Share capital			
Ordinary share	780,740	776,540	773,430
Advance receipts for ordinary share	429	0	0
Total capital stock	781,169	776,540	773,430
Capital surplus			
Total capital surplus	124,150	118,925	114,500
Retained earnings			
Legal reserve	230,919	230,919	213,131
Special reserve	27,849	27,849	20,418
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	312,689	207,772	187,361
Total retained earnings	571,457	466,540	420,910
Other equity interest			
Total other equity interest	12,116	3,052	-2,536
Treasury shares	0	0	0
Equity attributable to shareholders of the parent	1,488,892	1,365,057	1,306,304
Noncontrolling interests	39,677	35,454	26,323
Total equity	1,528,569	1,400,511	1,332,627
Equivalent issue shares of advance receipts for ordinary share	19,000	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Statements of Comprehensive Income

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

Item	2014/1/1-3/31	2013/1/1-3/31
Operating revenue		
Total operating revenue	1,094,581	809,989
Operating costs		
Total operating costs	707,304	508,797
Gross profit (loss) from operations	387,277	301,192
Gross profit (loss) from operations	387,277	301,192
Operating expenses		
Selling expenses		
Total selling expenses	134,348	121,490
Administrative expenses		
Total administrative expenses	28,100	27,470
Research and development expenses		
Total research and development expenses	87,799	74,130
Total operating expenses	250,247	223,090
Net operating income (loss)	137,030	78,102
Non-operating income and expenses		
Other income		
Total other income	783	7,935
Other gains and losses		
Other gains and losses, net	9,745	8,342
Finance costs		
Finance costs, net	454	487
Total non-operating income and expenses	10,074	15,790
Profit (loss) from continuing operations before tax	147,104	93,892
Tax expense (income)		
Total tax expense (income)	38,249	23,442
Profit (loss) from continuing operations	108,855	70,450
Profit (loss)	108,855	70,450
Other comprehensive income		
Exchange differences on translation of foreign financial statements	10,554	10,078
Income tax relating to components of other comprehensive income	1,490	1,713
Other comprehensive income, net	9,064	8,365
Comprehensive income	117,919	78,815
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent	104,917	67,695
Noncontrolling interests	3,938	2,755
TOTAL COMPREHENSIVE INCOME (LOSS)		
ATTRIBUTABLE TO:		
Shareholders of the parent	113,981	76,060
Noncontrolling interests	3,938	2,755
Basic earnings per share		
Total basic earnings per share	1.35	0.88
Diluted earnings per share		
Total diluted earnings per share	1.32	0.86

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

Item	Ordinary share	Advance receipts for ordinary share	Total capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Equity Attributable to Shareholders of the Parent	Noncontrolling interests	Total equity
Balance, January 1, 2014	776,540	0	776,540	118,925	230,919	27,849	207,772	466,540	3,052	3,052	1,365,057	35,454	1,400,511
Profit (loss)							104,917	104,917			104,917	3,938	108,855
OTHER COMPREHENSIVE INCOME (LOSS)									9,064	9,064	9,064		9,064
Comprehensive income							104,917	104,917	9,064	9,064	113,981	3,938	117,919
Increase (decrease) in noncontrolling interests												285	285
Share-based payments											-67		-67
Other	4,200	429	4,629	5,292							9,921		9,921
Total increase (decrease) in equity	4,200	429	4,629	5,225	0	0	104,917	104,917	9,064	9,064	123,835	4,223	128,058
Balance, March 31, 2014	780,740	429	781,169	124,150	230,919	27,849	312,689	571,457	12,116	12,116	1,488,892	39,677	1,528,569

(In Thousands of New Taiwan Dollars)

Item	Ordinary share	Total capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Equity Attributable to Shareholders of the Parent	Noncontrolling interests	Total equity
Balance, January 1, 2013	773,430	773,430	113,697	213,131	20,418	119,666	353,215	-10,901	-10,901	1,229,441	23,628	1,253,069
Profit (loss)						67,695	67,695			67,695	2,755	70,450
OTHER COMPREHENSIVE INCOME (LOSS)								8,365	8,365	8,365		8,365
Comprehensive income						67,695	67,695	8,365	8,365	76,060	2,755	78,815
Increase (decrease) in noncontrolling interests											-60	-60
Share-based payments			803							803		803
Total increase (decrease) in equity	0	0	803	0	0	67,695	67,695	8,365	8,365	76,863	2,695	79,558
Balance, March 31, 2013	773,430	773,430	114,500	213,131	20,418	187,361	420,910	-2,536	-2,536	1,306,304	26,323	1,332,627

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows

	(In Thousands of New Taiwan Dollars)	
Item	2014/1/1-3/31	2013/1/1-3/31
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	147,104	93,892
Profit (loss) before tax	147,104	93,892
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	8,666	8,800
Amortization expense	1,957	1,533
Provision (reversal of provision) for bad debt expense	178	1,052
Net loss (gain) on financial assets or liabilities at fair value through profit or	19	-4
Interest expense	454	487
Interest revenue	-156	-124
Share-based payments	-67	803
Loss (gain) on disposal of property, plan and equipment	6	0
Loss (gain) on disposal of investments	-164	-45
Total adjustments to reconcile profit (loss)	10,893	12,502
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	109,164	-27,455
Decrease (increase) in notes receivable	7,731	9,742
Decrease (increase) in accounts receivable	-68,568	-62,732
Decrease (increase) in other receivable	-12,103	-17,016
Decrease (increase) in inventories	-183,438	-86,456
Decrease (increase) in prepayments	-6,023	19,769
Decrease (increase) in other current assets	-4,295	-251
Total changes in operating assets	-157,532	-164,399
Changes in operating liabilities		
Increase (decrease) in notes payable	104	-14
Increase (decrease) in accounts payable	116,077	67,444
Increase (decrease) in other payable	-25,671	-5,231
Increase (decrease) in other current liabilities	30,829	355
Total changes in operating liabilities	121,339	62,554
Total changes in operating assets and liabilities	-36,193	-101,845
Total adjustments	-25,300	-89,343
Cash inflow (outflow) generated from operations	121,804	4,549
Interest received	156	124
Interest paid	-454	-446
Income taxes refund (paid)	-2,206	-5,731
Net cash flows from (used in) operating activities	119,300	-1,504
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-10,081	-6,534
Proceeds from disposal of property, plant and equipment	2	0
Increase in other non-current assets	-40	15
Net cash flows from (used in) investing activities	-10,119	-6,519
Cash flows from (used in) financing activities		
Decrease in short-term loans	-2,000	-1,000
Increase in short-term notes and bills payable	0	-14,992
Repayments of long-term debt	-409	0
Decrease in other non-current liabilities	-292	-256

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 Consolidated Statements of Cash Flows

	(In Thousands of New Taiwan Dollars)	
Item	<u>2014/1/1-3/31</u>	<u>2013/1/1-3/31</u>
Exercise of employee share options	9,921	0
Change in noncontrolling interests	285	-60
Net cash flows from (used in) financing activities	7,505	-16,308
Effect of exchange rate changes on cash and cash equivalents	9,020	6,918
Net increase (decrease) in cash and cash equivalents	125,706	-17,413
Cash and cash equivalents at beginning of period	377,117	428,572
Cash and cash equivalents at end of period	502,823	411,159
Cash and cash equivalents reported in the statement of financial position	502,823	411,159