

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2014/6/30	2013/12/31	2013/6/30
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	552,806	377,117	496,236
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	48,007	127,031	0
Notes receivable, net			
Notes receivable, net	2,141	10,436	8,085
Accounts receivable, net			
Accounts receivable, net	543,000	458,242	455,023
Other receivables			
Other receivables, net	18,019	21,139	29,850
Inventories			
Total inventories	787,072	652,487	788,716
Prepayments			
Total prepayments	23,465	12,607	23,469
Other current assets			
Total other current assets	2,422	4,836	2,620
Total current assets	1,976,932	1,663,895	1,803,999
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	343,466	343,264	342,354
Intangible assets			
Total intangible assets	131,035	133,608	134,978
Deferred tax assets			
	32,793	31,625	37,294
Other non-current assets			
Total other non-current assets	12,296	13,093	10,667
Total non-current assets	520,513	522,513	526,216
Total assets	2,497,445	2,186,408	2,330,215
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	0
Notes payable			
Total notes payable	467	182	186
Accounts payable			
Total accounts payable	337,916	308,298	419,647
Accounts payable to related parties			
Total accounts payable to related parties	9,746	6,579	21,715
Other payables			
Total other payables	492,686	259,960	416,761
Current tax liabilities			
	72,306	47,141	50,638
Other current liabilities			
Total other current liabilities	29,082	15,141	19,100
Total current liabilities	942,203	639,301	928,047
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	54,023	53,914	56,031
Deferred tax liabilities			
Total deferred tax liabilities	50,807	49,809	43,205
Other non-current liabilities			
Total other non-current liabilities	42,325	42,873	41,649
Total non-current liabilities	147,155	146,596	140,885
Total liabilities	1,089,358	785,897	1,068,932
Equity			
Equity attributable to shareholders of the parent			

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Item	<u>2014/6/30</u>	<u>2013/12/31</u>	<u>2013/6/30</u>
Share capital			
Ordinary share	780,930	776,540	773,430
Advance receipts for ordinary share	0	0	0
Total capital stock	780,930	776,540	773,430
Capital surplus			
Total capital surplus	124,689	118,925	115,303
Retained earnings			
Legal reserve	257,801	230,919	230,919
Special reserve	0	27,849	27,848
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	199,881	207,772	82,190
Total retained earnings	457,682	466,540	340,957
Other equity interest			
Total other equity interest	2,137	3,052	1,436
Treasury shares	0	0	0
Equity attributable to shareholders of the parent	1,365,438	1,365,057	1,231,126
Noncontrolling interests	42,649	35,454	30,157
Total equity	1,408,087	1,400,511	1,261,283
Number of shares to be write-off	0	0	0
Equivalent issue shares of advance receipts for ordinary share	0	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	2014/4/1-6/30	2013/4/1-6/30	2014/1/1-6/30	2013/1/1-6/30
Operating revenue				
Total operating revenue	1,131,754	856,039	2,226,335	1,666,028
Operating costs				
Total operating costs	722,881	534,409	1,430,185	1,043,206
Gross profit (loss) from operations	408,873	321,630	796,150	622,822
Gross profit (loss) from operations	408,873	321,630	796,150	622,822
Operating expenses				
Selling expenses				
Total selling expenses	145,599	132,636	279,947	254,126
Administrative expenses				
Total administrative expenses	30,038	26,459	58,138	53,929
Research and development expenses				
Total research and development expenses	95,622	73,830	183,421	147,960
Total operating expenses	271,259	232,925	521,506	456,015
Net operating income (loss)	137,614	88,705	274,644	166,807
Non-operating income and expenses				
Other income				
Total other income	3,621	1,222	4,404	9,156
Other gains and losses				
Other gains and losses, net	-11,320	5,049	-1,575	13,391
Finance costs				
Finance costs, net	450	444	904	931
Total non-operating income and expenses	-8,149	5,827	1,925	21,616
Profit (loss) from continuing operations before tax	129,465	94,532	276,569	188,423
Tax expense (income)				
Total tax expense (income)	31,727	19,150	69,976	42,592
Profit (loss) from continuing operations	97,738	75,382	206,593	145,831
Profit (loss)	97,738	75,382	206,593	145,831
Other comprehensive income				
Exchange differences on translation of foreign financial statements	-11,676	4,831	-1,122	14,909
Income tax relating to components of other comprehensive income	-1,697	859	-207	2,572
Other comprehensive income, net	-9,979	3,972	-915	12,337
Comprehensive income	87,759	79,354	205,678	158,168
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	94,496	71,640	199,413	139,334
Noncontrolling interests	3,242	3,742	7,180	6,497
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Shareholders of the parent	84,517	75,612	198,498	151,671
Noncontrolling interests	3,242	3,742	7,180	6,497
Basic earnings per share				
Total basic earnings per share	1.21	0.93	2.56	1.80
Diluted earnings per share				
Total diluted earnings per share	1.19	0.91	2.50	1.77

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

(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, 2014	776,540	776,540	118,925	230,919	27,849	207,772	466,540	3,052	3,052	1,365,057	35,454	1,400,511
Legal reserve appropriated				26,882		-26,882	0			0		0
Cash dividends of ordinary share						-208,271	-208,271			-208,271		-208,271
Reversal of special reserve					-27,849	27,849	0			0		0
Profit (loss)						199,413	199,413			199,413	7,180	206,593
OTHER COMPREHENSIVE INCOME (LOSS)						0	0	-915	-915	-915		-915
Comprehensive income						199,413	199,413	-915	-915	198,498	7,180	205,678
Increase (decrease) in noncontrolling interests											15	15
Share-based payments			233							233		233
Other	4,390	4,390	5,531							9,921		9,921
Total increase (decrease) in equity	4,390	4,390	5,764	26,882	-27,849	-7,891	-8,858	-915	-915	381	7,195	7,576
Balance, June 30, 2014	780,930	780,930	124,689	257,801	0	199,881	457,682	2,137	2,137	1,365,438	42,649	1,408,087

(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
Legal reserve appropriated				17,788		-17,788	0			0		0
Special reserve appropriated					7,430	-7,430	0			0		0
Cash dividends of ordinary share				0	0	-151,592	-151,592			-151,592		-151,592
Profit (loss)						139,334	139,334			139,334	6,497	145,831
OTHER COMPREHENSIVE INCOME (LOSS)						0	0	12,337	12,337	12,337	0	12,337
Comprehensive income						139,334	139,334	12,337	12,337	151,671	6,497	158,168
Increase (decrease) in noncontrolling interests										0	32	32
Share-based payments			1,606							1,606		1,606
Total increase (decrease) in equity	0	0	1,606	17,788	7,430	-37,476	-12,258	12,337	12,337	1,685	6,529	8,214
Balance, June 30, 2013	773,430	773,430	115,303	230,919	27,848	82,190	340,957	1,436	1,436	1,231,126	30,157	1,261,283

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

	(In Thousands of New Taiwan Dollars)	
Item	2014/1/1-6/30	2013/1/1-6/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	276,569	188,423
Profit (loss) before tax	276,569	188,423
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	18,020	17,256
Amortization expense	3,896	3,395
Provision (reversal of provision) for bad debt expense	-1,297	511
Net loss (gain) on financial assets or liabilities at fair value through profit or	25	2
Interest expense	904	931
Interest revenue	-589	-255
Share-based payments	233	1,606
Loss (gain) on disposal of property, plan and equipment	6	0
Loss (gain) on disposal of investments	-233	-82
Total adjustments to reconcile profit (loss)	20,965	23,364
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	79,233	3,082
Decrease (increase) in notes receivable	8,295	7,848
Decrease (increase) in accounts receivable	-83,026	-60,928
Decrease (increase) in other receivable	3,120	-21,696
Decrease (increase) in inventories	-132,901	-251,808
Decrease (increase) in prepayments	-10,858	15,059
Decrease (increase) in other current assets	2,414	2,939
Total changes in operating assets	-133,723	-305,504
Changes in operating liabilities		
Increase (decrease) in notes payable	285	73
Increase (decrease) in accounts payable	32,785	189,992
Increase (decrease) in other payable	24,455	35,119
Increase (decrease) in other current liabilities	14,816	-12,025
Total changes in operating liabilities	72,341	213,159
Total changes in operating assets and liabilities	-61,382	-92,345
Total adjustments	-40,417	-68,981
Cash inflow (outflow) generated from operations	236,152	119,442
Interest received	589	255
Interest paid	-904	-931
Income taxes refund (paid)	-44,036	-25,096
Net cash flows from (used in) operating activities	191,801	93,670
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-18,121	-13,404
Proceeds from disposal of property, plant and equipment	2	17
Acquisition of intangible assets	-786	-5,103
Increase in other non-current assets	-114	-512
Net cash flows from (used in) investing activities	-19,019	-19,002
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	-19,989
Repayments of long-term debt	-875	0

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	(In Thousands of New Taiwan Dollars)	
Item	<u>2014/1/1-6/30</u>	<u>2013/1/1-6/30</u>
Decrease in other non-current liabilities	-548	-602
Exercise of employee share options	9,921	0
Treasury shares sold to employees	0	0
Change in noncontrolling interests	15	32
Net cash flows from (used in) financing activities	6,513	-21,559
Effect of exchange rate changes on cash and cash equivalents	-3,606	14,555
Net increase (decrease) in cash and cash equivalents	175,689	67,664
Cash and cash equivalents at beginning of period	377,117	428,572
Cash and cash equivalents at end of period	552,806	496,236
Cash and cash equivalents reported in the statement of financial position	552,806	496,236