

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	<u>2014/12/31</u>	<u>2013/12/31</u>
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	377,502	377,117
Current financial assets at fair value through profit or loss		
Total current financial assets at fair value through profit or loss	173,100	127,031
Notes receivable, net		
Notes receivable, net	6,339	10,436
Accounts receivable, net		
Accounts receivable, net	557,204	458,242
Other receivables		
Other receivables, net	13,509	21,139
Inventories		
Total inventories	780,656	652,487
Prepayments		
Total prepayments	16,836	12,607
Other current assets		
Total other current assets	5,399	4,836
Total current assets	1,930,545	1,663,895
Non-current assets		
Non-current financial assets at cost		
Non-current financial assets at cost, net	923	923
Property, plant and equipment		
Total property, plant and equipment	346,937	343,264
Intangible assets		
Total intangible assets	143,060	133,608
Deferred tax assets	35,662	31,625
Other non-current assets		
Prepayments for business facilities	128,960	0
Other non-current assets, others		
Total other non-current assets, others	9,163	13,093
Total other non-current assets	138,123	13,093
Total non-current assets	664,705	522,513
Total assets	2,595,250	2,186,408
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	15,200	2,000
Notes payable		
Total notes payable	192	182
Accounts payable		
Total accounts payable	333,386	308,298
Accounts payable to related parties		
Total accounts payable to related parties	5,144	6,579
Other payables		
Total other payables	321,057	259,960
Current tax liabilities	69,130	47,141
Other current liabilities		

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Total other current liabilities	23,745	15,141
Total current liabilities	767,854	639,301
Non-current liabilities		
Long-term borrowings		
Total long-term borrowings	123,939	53,914
Deferred tax liabilities		
Total deferred tax liabilities	62,350	49,809
Other non-current liabilities		
Total other non-current liabilities	41,065	42,873
Total non-current liabilities	227,354	146,596
Total liabilities	995,208	785,897
Equity		
Equity attributable to shareholders of the parent		
Share capital		
Ordinary share	783,450	776,540
Advance receipts for ordinary share	153	0
Total capital stock	783,603	776,540
Capital surplus		
Total capital surplus	128,062	118,925
Retained earnings		
Legal reserve	257,801	230,919
Special reserve	0	27,849
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	371,791	207,772
Total retained earnings	629,592	466,540
Other equity interest		
Total other equity interest	20,270	3,052
Equity attributable to shareholders of the parent	1,561,527	1,365,057
Noncontrolling interests	38,515	35,454
Total equity	1,600,042	1,400,511
Number of shares to be write-off	0	0
Equivalent issue shares of advance receipts for ordinary share	7,000	0
Number of shares in entity held by entity and by its subsidiaries	0	0

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

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

Item	<u>2014/1/1-12/31</u>	<u>2013/1/1-12/31</u>
Operating revenue		
Total operating revenue	4,368,921	3,690,911
Operating costs		
Total operating costs	2,841,492	2,397,803
Gross profit (loss) from operations	1,527,429	1,293,108
Gross profit (loss) from operations	1,527,429	1,293,108
Operating expenses		
Selling expenses		
Total selling expenses	556,171	526,462
Administrative expenses		
Total administrative expenses	117,303	110,893
Research and development expenses		
Total research and development expenses	375,265	309,022
Total operating expenses	1,048,739	946,377
Net operating income (loss)	478,690	346,731
Non-operating income and expenses		
Other income		
Total other income	12,670	12,491
Other gains and losses		
Other gains and losses, net	23,476	10,916
Finance costs		
Finance costs, net	2,239	1,991
Total non-operating income and expenses	33,907	21,416
Profit (loss) from continuing operations before tax	512,597	368,147
Tax expense (income)		
Total tax expense (income)	126,901	86,259
Profit (loss) from continuing operations	385,696	281,888
Profit (loss)	385,696	281,888
Other comprehensive income		
Exchange differences on translation of foreign financial statements	21,780	16,949
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	793	-1,871
Income tax relating to components of other comprehensive income	3,837	2,678
Other comprehensive income, net	18,736	12,400
Comprehensive income	404,432	294,288
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent	370,563	268,817
Noncontrolling interests	15,133	13,071
TOTAL COMPREHENSIVE INCOME (LOSS)		
ATTRIBUTABLE TO:		
Shareholders of the parent	388,541	281,147
Noncontrolling interests	15,891	13,141
Basic earnings per share		
Total basic earnings per share	4.75	3.47
Diluted earnings per share		
Total diluted earnings per share	4.62	3.39

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
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)							370,563	370,563			370,563	15,133	385,696
OTHER COMPREHENSIVE INCOME (LOSS)							760	760	17,218	17,218	17,978	758	18,736
Comprehensive income							371,323	371,323	17,218	17,218	388,541	15,891	404,432
Increase (decrease) in noncontrolling interests												-12,830	-12,830
Share-based payments				632							632		632
Other	6,910	153	7,063	8,505							15,568		15,568
Total increase (decrease) in equity	6,910	153	7,063	9,137	26,882	-27,849	164,019	163,052	17,218	17,218	196,470	3,061	199,531
Balance, December 31, 2014	783,450	153	783,603	128,062	257,801	0	371,791	629,592	20,270	20,270	1,561,527	38,515	1,600,042

(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	119,667	353,216	-10,901	-10,901	1,229,442	23,628	1,253,070
Legal reserve appropriated				17,788		-17,788	0			0		0
Special reserve appropriated					7,431	-7,431	0			0		0
Cash dividends of ordinary share				0	0	-151,592	-151,592			-151,592		-151,592
Profit (loss)						268,817	268,817			268,817	13,071	281,888
OTHER COMPREHENSIVE INCOME (LOSS)						-1,623	-1,623	13,953	13,953	12,330	70	12,400
Comprehensive income						267,194	267,194	13,953	13,953	281,147	13,141	294,288
Increase (decrease) in noncontrolling interests										0	-1,315	-1,315
Share-based payments			1,309							1,309	0	1,309
Other	3,110	3,110	3,919			-2,278	-2,278			4,751	0	4,751
Total increase (decrease) in equity	3,110	3,110	5,228	17,788	7,431	88,105	113,324	13,953	13,953	135,615	11,826	147,441
Balance, December 31, 2013	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

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

(In Thousands of New Taiwan Dollars)

Item	2014/1/1-12/31	2013/1/1-12/31
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	512,597	368,147
Profit (loss) before tax	512,597	368,147
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	36,415	33,789
Amortization expense	8,303	7,304
Provision (reversal of provision) for bad debt expense	299	5,423
Net loss (gain) on financial assets or liabilities at fair value through profit or	-69	-29
Interest expense	2,239	1,991
Interest revenue	-1,069	-563
Share-based payments	632	1,309
Loss (gain) on disposal of property, plan and equipment	-108	342
Loss (gain) on disposal of investments	-592	-157
Total adjustments to reconcile profit (loss)	46,050	49,409
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-45,408	-123,844
Decrease (increase) in notes receivable	4,097	5,497
Decrease (increase) in accounts receivable	-99,368	-69,062
Decrease (increase) in other receivable	7,630	-12,985
Decrease (increase) in inventories	-128,666	-115,593
Decrease (increase) in prepayments	-4,229	25,921
Decrease (increase) in other current assets	-563	723
Total changes in operating assets	-266,507	-289,343
Changes in operating liabilities		
Increase (decrease) in notes payable	10	69
Increase (decrease) in accounts payable	23,653	63,508
Increase (decrease) in other payable	61,095	27,206
Increase (decrease) in other current liabilities	4,856	-13,754
Total changes in operating liabilities	89,614	77,029
Total changes in operating assets and liabilities	-176,893	-212,314
Total adjustments	-130,843	-162,905
Cash inflow (outflow) generated from operations	381,754	205,242
Interest received	1,069	563
Interest paid	-2,237	-1,561
Income taxes refund (paid)	-100,147	-61,148
Net cash flows from (used in) operating activities	280,439	143,096
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-33,195	-30,458
Proceeds from disposal of property, plant and equipment	286	10
Acquisition of intangible assets	-13,465	-7,444
Increase in other non-current assets	2,229	-3,410
Increase in prepayments for business facilities	-128,960	0
Net cash flows from (used in) investing activities	-173,105	-41,302
Cash flows from (used in) financing activities		
Increase in short-term loans	15,200	93,500

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Item	<u>2014/1/1-12/31</u>	<u>2013/1/1-12/31</u>
Decrease in short-term loans	-2,000	-92,500
Decrease in short-term notes and bills payable	0	-19,989
Proceeds from long-term debt	69,852	0
Repayments of long-term debt	-2,368	-324
Decrease in other non-current liabilities	-1,015	-623
Cash dividends paid	-208,271	-151,592
Exercise of employee share options	15,568	7,029
Change in noncontrolling interests	-12,830	-1,315
Net cash flows from (used in) financing activities	-125,864	-165,814
Effect of exchange rate changes on cash and cash equivalents	18,915	12,565
Net increase (decrease) in cash and cash equivalents	385	-51,455
Cash and cash equivalents at beginning of period	377,117	428,572
Cash and cash equivalents at end of period	377,502	377,117
Cash and cash equivalents reported in the statement of financial position	377,502	377,117