

Axiomtek Co., Ltd. And Subsidiaries  
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2014/9/30	2013/12/31	2013/9/30
<b>Assets</b>			
<b>Current assets</b>			
<b>Cash and cash equivalents</b>			
Total cash and cash equivalents	423,667	377,117	354,496
<b>Current financial assets at fair value through profit or loss</b>			
Total current financial assets at fair value through profit or loss	91,032	127,031	0
<b>Notes receivable, net</b>			
Notes receivable, net	6,101	10,436	4,039
<b>Accounts receivable, net</b>			
Accounts receivable, net	532,764	458,242	504,599
<b>Other receivables</b>			
Other receivables, net	22,504	21,139	23,379
<b>Inventories</b>			
Total inventories	788,974	652,487	714,239
<b>Prepayments</b>			
Total prepayments	20,534	12,607	22,339
<b>Other current assets</b>			
Total other current assets	4,978	4,836	2,793
<b>Total current assets</b>	<b>1,890,554</b>	<b>1,663,895</b>	<b>1,625,884</b>
<b>Non-current assets</b>			
<b>Non-current financial assets at cost</b>			
Non-current financial assets at cost, net	923	923	923
<b>Property, plant and equipment</b>			
Total property, plant and equipment	340,752	343,264	343,526
<b>Intangible assets</b>			
Total intangible assets	131,876	133,608	134,685
<b>Deferred tax assets</b>			
	32,836	31,625	39,523
<b>Other non-current assets</b>			
Total other non-current assets	12,473	13,093	12,997
<b>Total non-current assets</b>	<b>518,860</b>	<b>522,513</b>	<b>531,654</b>
<b>Total assets</b>	<b>2,409,414</b>	<b>2,186,408</b>	<b>2,157,538</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Short-term borrowings</b>			
Total short-term borrowings	38,000	2,000	92,000
<b>Short-term notes and bills payable</b>			
Total short-term notes and bills payable	0	0	0
<b>Notes payable</b>			
Total notes payable	194	182	204
<b>Accounts payable</b>			
Total accounts payable	343,222	308,298	271,038
<b>Accounts payable to related parties</b>			
Total accounts payable to related parties	7,160	6,579	6,178
<b>Other payables</b>			
Total other payables	275,846	259,960	236,021
<b>Current tax liabilities</b>			
	67,799	47,141	56,777
<b>Other current liabilities</b>			
Total other current liabilities	26,822	15,141	23,631
<b>Total current liabilities</b>	<b>759,043</b>	<b>639,301</b>	<b>685,849</b>
<b>Non-current liabilities</b>			
<b>Long-term borrowings</b>			
Total long-term borrowings	55,027	53,914	53,924
<b>Deferred tax liabilities</b>			
Total deferred tax liabilities	51,261	49,809	42,646
<b>Other non-current liabilities</b>			
Total other non-current liabilities	42,076	42,873	41,318
<b>Total non-current liabilities</b>	<b>148,364</b>	<b>146,596</b>	<b>137,888</b>
<b>Total liabilities</b>	<b>907,407</b>	<b>785,897</b>	<b>823,737</b>
<b>Equity</b>			
<b>Equity attributable to shareholders of the parent</b>			

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Item	<u>2014/9/30</u>	<u>2013/12/31</u>	<u>2013/9/30</u>
<b>Share capital</b>			
Ordinary share	780,930	776,540	773,430
Advance receipts for ordinary share	0	0	1,989
<b>Total capital stock</b>	780,930	776,540	775,419
<b>Capital surplus</b>			
Total capital surplus	124,988	118,925	116,106
<b>Retained earnings</b>			
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)	299,310	207,772	158,738
<b>Total retained earnings</b>	557,111	466,540	417,505
<b>Other equity interest</b>			
Total other equity interest	4,760	3,052	-2,404
<b>Treasury shares</b>	0	0	0
<b>Equity attributable to shareholders of the parent</b>	1,467,789	1,365,057	1,306,626
<b>Noncontrolling interests</b>	34,218	35,454	27,175
<b>Total equity</b>	1,502,007	1,400,511	1,333,801
<b>Number of shares to be write-off</b>	0	0	0
<b>Equivalent issue shares of advance receipts for ordinary share</b>	0	0	88,000
<b>Number of shares in entity held by entity and by its subsidiaries</b>	0	0	0

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

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

Item	2014/7/1-9/30	2013/7/1-9/30	2014/1/1-9/30	2013/1/1-9/30
<b>Operating revenue</b>				
Total operating revenue	1,076,888	1,034,753	3,303,223	2,700,781
<b>Operating costs</b>				
Total operating costs	710,865	696,202	2,141,050	1,739,408
Gross profit (loss) from operations	366,023	338,551	1,162,173	961,373
Gross profit (loss) from operations	366,023	338,551	1,162,173	961,373
<b>Operating expenses</b>				
<b>Selling expenses</b>				
Total selling expenses	126,774	126,864	406,721	380,990
<b>Administrative expenses</b>				
Total administrative expenses	27,013	27,939	85,151	81,868
<b>Research and development expenses</b>				
Total research and development expenses	92,222	76,631	275,643	224,591
Total operating expenses	246,009	231,434	767,515	687,449
Net operating income (loss)	120,014	107,117	394,658	273,924
<b>Non-operating income and expenses</b>				
<b>Other income</b>				
Total other income	7,650	2,264	12,054	11,420
<b>Other gains and losses</b>				
Other gains and losses, net	9,487	-5,059	7,912	8,332
<b>Finance costs</b>				
Finance costs, net	596	530	1,500	1,461
Total non-operating income and expenses	16,541	-3,325	18,466	18,291
Profit (loss) from continuing operations before tax	136,555	103,792	413,124	292,215
<b>Tax expense (income)</b>				
Total tax expense (income)	32,989	24,208	102,965	66,800
Profit (loss) from continuing operations	103,566	79,584	310,159	225,415
Profit (loss)	103,566	79,584	310,159	225,415
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign financial statements	2,824	-4,398	1,702	10,511
Income tax relating to components of other comprehensive income	201	-558	-6	2,014
Other comprehensive income, net	2,623	-3,840	1,708	8,497
Comprehensive income	106,189	75,744	311,867	233,912
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Shareholders of the parent	99,429	76,548	298,842	215,882
Noncontrolling interests	4,137	3,036	11,317	9,533
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>				
<b>ATTRIBUTABLE TO:</b>				
Shareholders of the parent	102,052	72,708	300,550	224,379
Noncontrolling interests	4,137	3,036	11,317	9,533
<b>Basic earnings per share</b>				
Total basic earnings per share	1.27	0.65	3.83	2.79
<b>Diluted earnings per share</b>				
Total diluted earnings per share	1.24	0.65	3.74	2.75

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)						298,842	298,842			298,842	11,317	310,159
OTHER COMPREHENSIVE INCOME (LOSS)						0	0	1,708	1,708	1,708		1,708
Comprehensive income						298,842	298,842	1,708	1,708	300,550	11,317	311,867
Increase (decrease) in noncontrolling interests											-12,553	-12,553
Share-based payments			532							532		532
Other	4,390	4,390	5,531							9,921		9,921
Total increase (decrease) in equity	4,390	4,390	6,063	26,882	-27,849	91,538	90,571	1,708	1,708	102,732	-1,236	101,496
Balance, September 30, 2014	780,930	780,930	124,988	257,801	0	299,310	557,111	4,760	4,760	1,467,789	34,218	1,502,007

(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, 2013	773,430	0	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)							215,882	215,882			215,882	9,533	225,415
OTHER COMPREHENSIVE INCOME (LOSS)							0	0	8,497	8,497	8,497	0	8,497
Comprehensive income							215,882	215,882	8,497	8,497	224,379	9,533	233,912
Increase (decrease) in noncontrolling interests											0	-5,986	-5,986
Share-based payments				2,409							2,409	0	2,409
Other	0	1,989	1,989				39,072	64,290	8,497	8,497	1,989	0	1,989
Total increase (decrease) in equity	0	1,989	1,989	2,409	17,788	7,430	39,072	64,290	8,497	8,497	77,185	3,547	80,732
Balance, September 30, 2013	773,430	1,989	775,419	116,106	230,919	27,848	158,738	417,505	-2,404	-2,404	1,306,626	27,175	1,333,801

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

(In Thousands of New Taiwan Dollars)

Item	<u>2014/1/1-9/30</u>	<u>2013/1/1-9/30</u>
<b>Cash flows from (used in) operating activities, indirect method</b>		
Profit (loss) from continuing operations before tax	413,124	292,215
Profit (loss) before tax	413,124	292,215
<b>Adjustments</b>		
<b>Adjustments to reconcile profit (loss)</b>		
Depreciation expense	27,190	25,058
Amortization expense	5,893	5,430
Provision (reversal of provision) for bad debt expense	-1,143	1,174
Net loss (gain) on financial assets or liabilities at fair value through profit or	0	2
Interest expense	1,500	1,461
Interest revenue	-813	-361
Share-based payments	532	2,409
Loss (gain) on disposal of property, plan and equipment	6	59
Loss (gain) on disposal of investments	-433	-100
Total adjustments to reconcile profit (loss)	32732	35132
<b>Changes in operating assets and liabilities</b>		
<b>Changes in operating assets</b>		
Decrease (increase) in financial assets held for trading	36432	3099
Decrease (increase) in notes receivable	4335	11894
Decrease (increase) in accounts receivable	-73399	-111240
Decrease (increase) in other receivable	-1365	-15225
Decrease (increase) in inventories	-136,638	-177,237
Decrease (increase) in prepayments	-7927	16189
Decrease (increase) in other current assets	-142	2766
Total changes in operating assets	-178,704	-269,754
<b>Changes in operating liabilities</b>		
Increase (decrease) in notes payable	12	91
Increase (decrease) in accounts payable	35,505	25,847
Increase (decrease) in other payable	15,846	7,208
Increase (decrease) in other current liabilities	12987	-10,999
Total changes in operating liabilities	64,350	22,147
Total changes in operating assets and liabilities	-114,354	-247,607
Total adjustments	-81622	-212475
Cash inflow (outflow) generated from operations	331502	79740
Interest received	813	361
Interest paid	-1,460	-1,300
Income taxes refund (paid)	-82,323	-39,288
Net cash flows from (used in) operating activities	248,532	39,513
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property, plant and equipment	-22,547	-22,669
Proceeds from disposal of property, plant and equipment	19	17
Acquisition of intangible assets	-1354	-7172
Increase in other non-current assets	-1300	-3148
Net cash flows from (used in) investing activities	-25,182	-32,972
<b>Cash flows from (used in) financing activities</b>		
Increase in short-term loans	58000	92000
Decrease in short-term loans	-22,000	-1,000

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(In Thousands of New Taiwan Dollars)

Item	<u>2014/1/1-9/30</u>	<u>2013/1/1-9/30</u>
Decrease in short-term notes and bills payable	0	-19989
Repayments of long-term debt	-1,306	0
Decrease in other non-current liabilities	-797	-932
Cash dividends paid	-208,271	-151592
Exercise of employee share options	9,921	1,989
Change in noncontrolling interests	-12553	-5986
Net cash flows from (used in) financing activities	-177,006	-85,510
Effect of exchange rate changes on cash and cash equivalents	206	4893
Net increase (decrease) in cash and cash equivalents	46550	-74076
Cash and cash equivalents at beginning of period	377,117	428,572
Cash and cash equivalents at end of period	423667	354496
Cash and cash equivalents reported in the statement of financial position	423,667	354,496