

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2013/12/31	2012/12/31	2012/1/1
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	377,117	428,572	376,038
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	127,031	3,001	19,014
Notes receivable, net			
Notes receivable, net	10,436	15,933	37,769
Accounts receivable, net			
Accounts receivable, net	458,242	394,556	333,434
Other receivables			
Other receivables, net	21,139	8,154	6,795
Inventories			
Total inventories	652,487	537,064	479,965
Prepayments			
Total prepayments	12,607	38,528	39,445
Other current assets			
Total other current assets	4,836	5,559	9,387
Total current assets	1,663,895	1,431,367	1,301,847
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	343,264	344,682	345,557
Intangible assets			
Total intangible assets	133,608	130,365	83,635
Deferred tax assets			
Deferred tax assets	31,625	40,390	55,799
Other non-current assets			
Total other non-current assets	13,093	10,716	12,301
Total non-current assets	522,513	527,076	498,215
Total assets	2,186,408	1,958,443	1,800,062
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	2,000	1,000	40,000
Short-term notes and bills payable			
Total short-term notes and bills payable	0	19,989	29,986
Notes payable			
Total notes payable	182	113	118
Accounts payable			
Total accounts payable	308,298	247,974	192,850
Accounts payable to related parties			
Total accounts payable to related parties	6,579	3,395	4,307
Other payables			
Total other payables	259,960	232,324	176,662
Current tax liabilities			
Current tax liabilities	47,141	32,216	19,282
Other current liabilities			
Total other current liabilities	15,141	28,850	23,607
Total current liabilities	639,301	565,861	486,812
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	53,914	54,238	58,325
Deferred tax liabilities			
Total deferred tax liabilities	49,809	43,024	40,566
Other non-current liabilities			
Total other non-current liabilities	42,873	42,250	31,852
Total non-current liabilities	146,596	139,512	130,743
Total liabilities	785,897	705,373	617,555
Equity			
Equity attributable to shareholders of the parent			

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Share capital			
Ordinary share	776,540	773,430	773,430
Advance receipts for ordinary share	0	0	0
Total capital stock	776,540	773,430	773,430
Capital surplus			
Total capital surplus	118,925	113,697	138,978
Retained earnings			
Legal reserve	230,919	213,131	198,769
Special reserve	27,849	20,418	0
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	207,772	119,667	70,171
Total retained earnings	466,540	353,216	268,940
Other equity interest			
Total other equity interest	3,052	-10,901	0
Treasury shares	0	0	17,611
Equity attributable to shareholders of the parent	1,365,057	1,229,442	1,163,737
Noncontrolling interests	35,454	23,628	18,770
Total equity	1,400,511	1,253,070	1,182,507
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	797,000

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

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

Item	2013/1/1-12/31	2012/1/1-12/31
Operating revenue		
Total operating revenue	3,690,911	2,802,263
Operating costs		
Total operating costs	2,397,803	1,729,758
Gross profit (loss) from operations	1,293,108	1,072,505
Gross profit (loss) from operations	1,293,108	1,072,505
Operating expenses		
Selling expenses		
Total selling expenses	526,462	440,773
Administrative expenses		
Total administrative expenses	110,893	96,659
Research and development expenses		
Total research and development expenses	309,022	273,397
Total operating expenses	946,377	810,829
Net operating income (loss)	346,731	261,676
Non-operating income and expenses		
Other income		
Total other income	12,491	6,184
Other gains and losses		
Other gains and losses, net	10,916	-10,563
Finance costs		
Finance costs, net	1,991	2,382
Total non-operating income and expenses	21,416	-6,761
Profit (loss) from continuing operations before tax	368,147	254,915
Tax expense (income)		
Total tax expense (income)	86,259	69,885
Profit (loss) from continuing operations	281,888	185,030
Profit (loss)	281,888	185,030
Other comprehensive income		
Exchange differences on translation of foreign financial statements	16,949	-13,134
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	-1,871	-11,885
Income tax relating to components of other comprehensive income	2,678	-4,254
Other comprehensive income, net	12,400	-20,765
Comprehensive income	294,288	164,265
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent	268,817	178,451
Noncontrolling interests	13,071	6,579
TOTAL COMPREHENSIVE INCOME (LOSS)		
ATTRIBUTABLE TO:		
Shareholders of the parent	281,147	158,230
Noncontrolling interests	13,141	6,035
Basic earnings per share		
Total basic earnings per share	3.47	2.31
Diluted earnings per share		
Total diluted earnings per share	3.39	2.28

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, 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
Share-based payments			1,309							1,309	0	1,309
Increase (decrease) in noncontrolling interests										0	-1,315	-1,315
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

(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	Treasury shares	Equity Attributable to Shareholders of the Parent	Noncontrolling interests	Total equity
Balance, January 1, 2012	773,430	773,430	138,978	198,769	0	70,171	268,940	0	0	-17,611	1,163,737	18,770	1,182,507
Legal reserve appropriated				14,362		-14,362	0				0		0
Special reserve appropriated					20,418	-20,418	0				0		0
Cash dividends of ordinary share				0	0	-83,685	-83,685				-83,685		-83,685
Cash dividends from capital surplus			-32,330								-32,330		-32,330
Profit (loss)						178,451	178,451				178,451	6,579	185,030
OTHER COMPREHENSIVE INCOME (LOSS)						-9,320	-9,320	-10,901	-10,901		-20,221	-544	-20,765
Comprehensive income						169,131	169,131	-10,901	-10,901		158,230	6,035	164,265
Share-based payments			6,023								6,023		6,023
Increase (decrease) in noncontrolling interests											0	-1,177	-1,177
Other			1,026			-1,170	-1,170			17,611	17,467		17,467
Total increase (decrease) in equity	0	0	-25,281	14,362	20,418	49,496	84,276	-10,901	-10,901	17,611	65,705	4,858	70,563
Balance, December 31, 2012	773,430	773,430	113,697	213,131	20,418	119,667	353,216	-10,901	-10,901	0	1,229,442	23,628	1,253,070

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

	(In Thousands of New Taiwan Dollars)	
Item	2013/1/1-12/31	2012/1/1-12/31
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	368,147	254,915
Profit (loss) before tax	368,147	254,915
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	33,789	37,068
Amortization expense	7,304	4,018
Provision (reversal of provision) for bad debt expense	5,423	1,767
Net loss (gain) on financial assets or liabilities at fair value through profit or	-29	12
Interest expense	1,991	2,382
Interest revenue	-563	-930
Share-based payments	1,309	7,098
Loss (gain) on disposal of property, plan and equipment	342	1,387
Loss (gain) on disposal of investments	-157	-403
Total adjustments to reconcile profit (loss)	49,409	52,399
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-123,844	16,403
Decrease (increase) in notes receivable	5,497	21,836
Decrease (increase) in accounts receivable	-69,062	-62,823
Decrease (increase) in other receivable	-12,985	-1,358
Decrease (increase) in inventories	-115,593	-57,080
Decrease (increase) in prepayments	25,921	-3,689
Decrease (increase) in other current assets	723	3,828
Total changes in operating assets	-289,343	-82,883
Changes in operating liabilities		
Increase (decrease) in notes payable	69	-5
Increase (decrease) in accounts payable	63,508	54,212
Increase (decrease) in other payable	27,206	55,732
Increase (decrease) in other current liabilities	-13,754	2,629
Total changes in operating liabilities	77,029	112,568
Total changes in operating assets and liabilities	-212,314	29,685
Total adjustments	-162,905	82,084
Cash inflow (outflow) generated from operations	205,242	336,999
Interest received	563	930
Interest paid	-1,561	-2,452
Income taxes refund (paid)	-61,148	-31,424
Net cash flows from (used in) operating activities	143,096	304,053
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-30,458	-41,972
Proceeds from disposal of property, plant and equipment	10	1,536
Acquisition of intangible assets	-7,444	-49,193
Increase in other non-current assets	-3,410	216
Net cash flows from (used in) investing activities	-41,302	-89,413
Cash flows from (used in) financing activities		
Increase in short-term loans	93,500	0
Decrease in short-term loans	-92,500	-39,000
Decrease in short-term notes and bills payable	-19,989	-9,997

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 Consolidated Statements of Cash Flows

	(In Thousands of New Taiwan Dollars)	
Item	<u>2013/1/1-12/31</u>	<u>2012/1/1-12/31</u>
Repayments of long-term debt	-324	-2,199
Decrease in other non-current liabilities	-623	534
Cash dividends paid	-151,592	-116,015
Exercise of employee share options	7,029	0
Treasury shares sold to employees	0	17,561
Change in noncontrolling interests	-1,315	-1,177
Net cash flows from (used in) financing activities	-165,814	-150,293
Effect of exchange rate changes on cash and cash equivalents	12,565	-11,813
Net increase (decrease) in cash and cash equivalents	-51,455	52,534
Cash and cash equivalents at beginning of period	428,572	376,038
Cash and cash equivalents at end of period	377,117	428,572
Cash and cash equivalents reported in the statement of financial position	377,117	428,572