

Axiomtek Co., Ltd. And Subsidiaries  
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2013/6/30	2012/12/31	2012/6/30	2012/1/1
<b>Assets</b>				
<b>Current assets</b>				
<b>Cash and cash equivalents</b>				
Total cash and cash equivalents	496,236	428,572	504,801	376,038
<b>Current financial assets at fair value through profit or loss</b>				
Total current financial assets at fair value through profit or loss	0	3,001	93,187	19,014
<b>Notes receivable, net</b>				
Notes receivable, net	8,085	15,933	8,513	37,769
<b>Accounts receivable, net</b>				
Accounts receivable, net	455,023	394,556	382,879	333,434
<b>Other receivables</b>				
Other receivables, net	29,850	8,154	11,317	6,795
<b>Inventories</b>				
Total inventories	788,716	537,064	450,523	479,965
<b>Prepayments</b>				
Total prepayments	23,469	38,528	42,656	39,445
<b>Other current assets</b>				
Total other current assets	2,620	5,559	7,667	9,387
<b>Total current assets</b>	<b>1,803,999</b>	<b>1,431,367</b>	<b>1,501,543</b>	<b>1,301,847</b>
<b>Non-current assets</b>				
<b>Non-current financial assets at cost</b>				
Non-current financial assets at cost, net	923	923	923	923
<b>Property, plant and equipment</b>				
Total property, plant and equipment	342,354	344,682	341,523	345,557
<b>Intangible assets</b>				
Total intangible assets	134,978	130,365	87,107	83,635
<b>Deferred tax assets</b>				
Deferred tax assets	37,294	40,390	54,387	47,778
<b>Other non-current assets</b>				
Total other non-current assets	10,667	10,716	23,171	12,301
<b>Total non-current assets</b>	<b>526,216</b>	<b>527,076</b>	<b>507,111</b>	<b>490,194</b>
<b>Total assets</b>	<b>2,330,215</b>	<b>1,958,443</b>	<b>2,008,654</b>	<b>1,792,041</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
<b>Short-term borrowings</b>				
Total short-term borrowings	0	1,000	15,000	40,000
<b>Short-term notes and bills payable</b>				
Total short-term notes and bills payable	0	19,989	29,997	29,986
<b>Notes payable</b>				
Total notes payable	186	113	5,847	118
<b>Accounts payable</b>				
Total accounts payable	419,647	247,974	293,395	192,850
<b>Accounts payable to related parties</b>				
Total accounts payable to related parties	21,715	3,395	4,457	4,307
<b>Other payables</b>				
Total other payables	415,363	228,652	322,136	176,662
<b>Current tax liabilities</b>				
Current tax liabilities	50,638	32,216	24,478	19,282
<b>Other current liabilities</b>				
Total other current liabilities	20,498	32,523	18,908	23,605
<b>Total current liabilities</b>	<b>928,047</b>	<b>565,862</b>	<b>714,218</b>	<b>486,810</b>
<b>Non-current liabilities</b>				
<b>Long-term borrowings</b>				
Total long-term borrowings	56,031	54,238	57,564	58,325
<b>Deferred tax liabilities</b>				
Total deferred tax liabilities	43,205	43,024	40,390	32,545
<b>Other non-current liabilities</b>				
Total other non-current liabilities	41,649	42,250	31,054	31,852
<b>Total non-current liabilities</b>	<b>140,885</b>	<b>139,512</b>	<b>129,008</b>	<b>122,722</b>
<b>Total liabilities</b>	<b>1,068,932</b>	<b>705,374</b>	<b>843,226</b>	<b>609,532</b>
<b>Equity</b>				
<b>Equity attributable to shareholders of the parent</b>				
<b>Share capital</b>				
Ordinary share	773,430	773,430	773,430	773,430
Total capital stock	773,430	773,430	773,430	773,430
<b>Capital surplus</b>				
Total capital surplus	115,303	113,697	110,868	138,979
<b>Retained earnings</b>				
Legal reserve	230,919	213,131	213,131	198,769
Special reserve	27,848	20,418	20,418	0
<b>Unappropriated retained earnings (accumulated deficit)</b>				

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(In Thousands of New Taiwan Dollars)

Total unappropriated retained earnings (accumulated deficit)	82,190	119,666	30,940	70,171
<b>Total retained earnings</b>	<b>340,957</b>	<b>353,215</b>	<b>264,489</b>	<b>268,940</b>
<b>Other equity interest</b>				
<b>Total other equity interest</b>	<b>1,436</b>	<b>-10,901</b>	<b>-5,962</b>	<b>0</b>
Treasury shares	0	0	0	17,610
<b>Equity attributable to shareholders of the parent</b>	<b>1,231,126</b>	<b>1,229,441</b>	<b>1,142,825</b>	<b>1,163,739</b>
Noncontrolling interests	30,157	23,628	22,603	18,770
<b>Total equity</b>	<b>1,261,283</b>	<b>1,253,069</b>	<b>1,165,428</b>	<b>1,182,509</b>
Equivalent issue shares of advance receipts for ordinary share	0	0	0	0
<b>Number of shares in entity held by entity and by its subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>797,000</b>

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

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

Item	2013/4/1-6/30	2012/4/1-6/30	2013/1/1-6/30	2012/1/1-6/30
<b>Operating revenue</b>				
Total operating revenue	856,039	763,623	1,666,028	1,342,883
<b>Operating costs</b>				
Total operating costs	534,409	475,230	1,043,206	841,448
Gross profit (loss) from operations	321,630	288,393	622,822	501,435
Gross profit (loss) from operations	321,630	288,393	622,822	501,435
<b>Operating expenses</b>				
<b>Selling expenses</b>				
Total selling expenses	132,636	102,685	254,126	194,391
<b>Administrative expenses</b>				
Total administrative expenses	26,459	25,618	53,929	52,508
<b>Research and development expenses</b>				
Total research and development expenses	73,830	72,475	147,960	141,973
Total operating expenses	232,925	200,778	456,015	388,872
Net operating income (loss)	88,705	87,615	166,807	112,563
<b>Non-operating income and expenses</b>				
<b>Other income</b>				
Total other income	1,221	453	9,156	5,323
<b>Other gains and losses</b>				
Other gains and losses, net	5,049	3,075	13,391	-3,211
<b>Finance costs</b>				
Finance costs, net	444	593	931	1,283
Total non-operating income and expenses	5,826	2,935	21,616	829
Profit (loss) from continuing operations before tax	94,531	90,550	188,423	113,392
<b>Tax expense (income)</b>				
Total tax expense (income)	19,150	25,886	42,592	32,478
Profit (loss) from continuing operations	75,381	64,664	145,831	80,914
Profit (loss)	75,381	64,664	145,831	80,914
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign financial statements	4,831	707	14,909	-7,183
Income tax relating to components of other comprehensive income	859	120	2,572	-1,221
Other comprehensive income, net	3,972	587	12,337	-5,962
Comprehensive income	79,353	65,251	158,168	74,952
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Shareholders of the parent	71,639	62,967	139,334	79,235
Noncontrolling interests	3,742	1,697	6,497	1,679
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>				
<b>ATTRIBUTABLE TO:</b>				
Shareholders of the parent	75,611	63,554	151,671	73,273
Noncontrolling interests	3,742	1,697	6,497	1,679
<b>Basic earnings per share</b>				
Total basic earnings per share	0.93	0.82	1.80	1.03
<b>Diluted earnings per share</b>				
Total diluted earnings per share	0.91	0.80	1.77	1.01

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	119,666	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
Share-based payments			1,606							1,606		1,606
Increase (decrease) in noncontrolling interests										0	32	32
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

(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	138,979	198,769	0	70,171	268,940	0	0	-17,610	1,163,739	18,770	1,182,509
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	-83,686	-83,686				-83,686		-83,686
Cash dividends from capital surplus			-32,330								-32,330		-32,330
Profit (loss)						79,235	79,235				79,235	1,679	80,914
OTHER COMPREHENSIVE INCOME (LOSS)						0	0	-5,962	-5,962		-5,962	0	-5,962
Comprehensive income						79,235	79,235	-5,962	-5,962		73,273	1,679	74,952
Share-based payments			3,193								3,193		3,193
Increase (decrease) in noncontrolling interests						0	0				0	2,154	2,154
Other			1,026							17,610	18,636		18,636
Total increase (decrease) in equity	0	0	-28,111	14,362	20,418	-39,231	-4,451	-5,962	-5,962	17,610	-20,914	3,833	-17,081
Balance, June 30, 2012	773,430	773,430	110,868	213,131	20,418	30,940	264,489	-5,962	-5,962	0	1,142,825	22,603	1,165,428

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

	(In Thousands of New Taiwan Dollars)	
Item	<u>2013/1/1-6/30</u>	<u>2012/1/1-6/30</u>
<b>Cash flows from (used in) operating activities, indirect method</b>		
Profit (loss) from continuing operations before tax	188,423	113,392
Profit (loss) before tax	188,423	113,392
<b>Adjustments</b>		
<b>Adjustments to reconcile profit (loss)</b>		
Depreciation expense	17,256	18,500
Amortization expense	3,395	2,207
Provision (reversal of provision) for bad debt expense	511	1,958
Net loss (gain) on financial assets or liabilities at fair value through profit or	2	-161
Interest expense	931	1,283
Interest revenue	-255	-550
Share-based payments	1,606	4,269
Loss (gain) on disposal of property, plan and equipment	0	-72
Loss (gain) on disposal of investments	-82	-36
Total adjustments to reconcile profit (loss)	23,364	27,398
<b>Changes in operating assets and liabilities</b>		
<b>Changes in operating assets</b>		
Decrease (increase) in financial assets held for trading	3,082	-73,975
Decrease (increase) in notes receivable	7,848	29,256
Decrease (increase) in accounts receivable	-60,928	-51,366
Decrease (increase) in other receivable	-21,696	-4,521
Decrease (increase) in inventories	-251,808	29,417
Decrease (increase) in prepayments	15,059	-6,754
Decrease (increase) in other current assets	2,939	1,720
Total changes in operating assets	-305,504	-76,223
<b>Changes in operating liabilities</b>		
Increase (decrease) in notes payable	73	5,729
Increase (decrease) in accounts payable	189,992	100,694
Increase (decrease) in other payable	35,119	29,458
Increase (decrease) in other current liabilities	-12,025	-4,697
Total changes in operating liabilities	213,159	131,184
Total changes in operating assets and liabilities	-92,345	54,961
Total adjustments	-68,981	82,359
Cash inflow (outflow) generated from operations	119,442	195,751
Interest received	255	550
Interest paid	-931	-1,283
Income taxes refund (paid)	-25,096	-16,125
Net cash flows from (used in) operating activities	93,670	178,893
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property, plant and equipment	-13,404	-18,442
Proceeds from disposal of property, plant and equipment	17	72
Acquisition of intangible assets	-5,103	-4,740
Increase in other non-current assets	-512	-11,831
Net cash flows from (used in) investing activities	-19,002	-34,941
<b>Cash flows from (used in) financing activities</b>		
Decrease in short-term loans	-1,000	-25,000
Increase in short-term notes and bills payable	-19,989	12
Decrease in other non-current liabilities	-602	-798

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

	(In Thousands of New Taiwan Dollars)	
Treasury shares sold to employees	0	17,561
Change in noncontrolling interests	32	2,154
Net cash flows from (used in) financing activities	-21,559	-6,071
Effect of exchange rate changes on cash and cash equivalents	14,555	-9,118
Net increase (decrease) in cash and cash equivalents	67,664	128,763
Cash and cash equivalents at beginning of period	428,572	376,038
Cash and cash equivalents at end of period	496,236	504,801
Cash and cash equivalents reported in the statement of financial position	496,236	504,801