

Axiomtek Co., Ltd. And Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Item	2015/6/30	2014/12/31	2014/6/30
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	520,352	377,502	552,806
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	169,099	173,100	48,007
Notes receivable, net			
Notes receivable, net	6,006	6,339	2,141
Accounts receivable, net			
Accounts receivable, net	502,029	557,204	543,000
Other receivables			
Other receivables, net	13,993	13,509	18,019
Inventories			
Total inventories	859,646	780,656	787,072
Prepayments			
Total prepayments	21,249	16,836	23,465
Other current assets			
Total other current assets	4,705	5,399	2,422
Total current assets	2,097,079	1,930,545	1,976,932
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	488,487	346,937	343,466
Intangible assets			
Total intangible assets	139,956	143,060	131,035
Deferred tax assets			
	35,735	35,662	32,793
Other non-current assets			
Prepayments for business facilities	367	128,960	0
Other non-current assets, others	8,843	9,163	12,296
Total other non-current assets, others	9,210	138,123	12,296
Total non-current assets	674,311	664,705	520,513
Total assets	2,771,390	2,595,250	2,497,445
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	0	15,200	0
Notes payable			
Total notes payable	437	192	467
Accounts payable			
Total accounts payable	368,295	333,386	337,916
Accounts payable to related parties			
Total accounts payable to related parties	4,420	5,144	9,746
Other payables			
Total other payables	602,623	321,057	492,686
Current tax liabilities			
	63,002	69,130	72,306
Other current liabilities			
Total other current liabilities	65,262	23,745	29,082
Total current liabilities	1,104,039	767,854	942,203
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	120,846	123,939	54,023
Deferred tax liabilities			
Total deferred tax liabilities	58,589	62,350	50,807
Other non-current liabilities			
Total other non-current liabilities	40,554	41,065	42,325
Total non-current liabilities	219,989	227,354	147,155
Total liabilities	1,324,028	995,208	1,089,358

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Item	<u>2015/6/30</u>	<u>2014/12/31</u>	<u>2014/6/30</u>
Equity			
Equity attributable to shareholders of the parent			
Share capital			
Ordinary share	788,070	783,450	780,930
Advance receipts for ordinary share	0	153	0
Total capital stock	788,070	783,603	780,930
Capital surplus			
Total capital surplus	133,513	128,062	124,689
Retained earnings			
Legal reserve	294,857	257,801	257,801
Special reserve	0	0	0
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	185,976	371,791	199,881
Total retained earnings	480,833	629,592	457,682
Other equity interest			
Total other equity interest	714	20,270	2,137
Treasury shares	0	0	0
Equity attributable to shareholders of the parent	1,403,130	1,561,527	1,365,438
Noncontrolling interests	44,232	38,515	42,649
Total equity	1,447,362	1,600,042	1,408,087
Total liabilities and equity	2,771,390	2,595,250	2,497,445
Number of shares to be write-off	0	0	0
Equivalent issue shares of advance receipts for ordinary share	0	7,000	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	2015/4/1-6/30	2014/4/1-6/30	2015/1/1-6/30	2014/1/1-6/30
Operating revenue				
Total operating revenue	1,027,970	1,131,754	2,172,132	2,226,335
Operating costs				
Total operating costs	640,211	722,881	1,384,772	1,430,185
Gross profit (loss) from operations	387,759	408,873	787,360	796,150
Gross profit (loss) from operations	387,759	408,873	787,360	796,150
Operating expenses				
Selling expenses				
Total selling expenses	150,417	145,599	299,540	279,947
Administrative expenses				
Total administrative expenses	26,460	30,038	53,145	58,138
Commissions expense				
Total research and development expenses	96,315	95,622	190,180	183,421
Total operating expenses	273,192	271,259	542,865	521,506
Net operating income (loss)	114,567	137,614	244,495	274,644
Non-operating income and expenses				
Other income				
Total other income	3,530	3,621	4,284	4,404
Other gains and losses				
Other gains and losses, net	-7,750	-11,320	-18,059	-1,575
Finance costs				
Finance costs, net	730	450	1,566	904
Total non-operating income and expenses	-4,950	-8,149	-15,341	1,925
Profit (loss) from continuing operations before tax	109,617	129,465	229,154	276,569
Tax expense (income)				
Total tax expense (income)	30,407	31,727	57,482	69,976
Profit (loss) from continuing operations	79,210	97,738	171,672	206,593
Profit (loss)	79,210	97,738	171,672	206,593
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	-5,249	-11,676	-24,027	-1,122
Income tax benefit (expense) related to components of other comprehensive income that may be reclassified subsequently	-1,075	-1,697	-4,085	-207
Other comprehensive income (loss) for the period, net of income tax	-4,174	-9,979	-19,942	-915
Other comprehensive income, net	-4,174	-9,979	-19,942	-915
Comprehensive income	75,036	87,759	151,730	205,678
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	76,591	94,496	165,569	199,413
Noncontrolling interests	2,619	3,242	6,103	7,180
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Shareholders of the parent	72,803	84,517	146,013	198,498
Noncontrolling interests	2,233	3,242	5,717	7,180
Basic earnings per share				
Total basic earnings per share	0.97	1.21	2.11	2.56
Diluted earnings per share				
Total diluted earnings per share	0.95	1.19	2.06	2.50

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, 2015	783,450	153	783,603	128,062	257,801	-	371,791	629,592	20,270	20,270	1,561,527	38,515	1,600,042
Legal reserve appropriated					37,056		37,056						
Cash dividends of ordinary share							314,328	314,328			314,328		314,328
Profit (loss)							165,569	165,569			165,569	6,103	171,672
OTHER COMPREHENSIVE INCOME (LOSS)									19,556	19,556	19,556	386	19,942
Comprehensive Income							165,569	165,569	19,556	19,556	146,013	5,717	151,730
Other	4,620	153	4,467	5,451							9,918		9,918
Total increase (decrease) in equity	4,620	153	4,467	5,451	37,056		185,815	148,759	19,556	19,556	158,397	5,717	152,680
Balance, June 30, 2015	788,070	-	788,070	133,513	294,857	-	185,976	480,833	714	714	1,403,130	44,232	1,447,362

(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			-7,891	-8,858			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

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

	(In Thousands of New Taiwan Dollars)	
Item	2015/1/1-6/30	2014/1/1-6/30
CONSOLIDATED STATEMENTS OF CASH FLOWS		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	229,154	276,569
Profit (loss) before tax	229,154	276,569
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	20,800	18,020
Amortization expense	6,070	3,896
Provision (reversal of provision) for bad debt expense	272	-1,297
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1	25
Interest expense	1,566	904
Interest revenue	-841	-589
Share-based payments	0	233
Loss (gain) on disposal of property, plan and equipment	253	6
Loss (gain) on disposal of investments	-308	-233
Total adjustments to reconcile profit (loss)	27,813	20,965
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	4,308	79,233
Decrease (increase) in notes receivable	333	8,295
Decrease (increase) in accounts receivable	55,016	-83,026
Decrease (increase) in other receivable	-484	3,120
Decrease (increase) in inventories	-78,727	-132,901
Decrease (increase) in prepayments	-4,413	-10,858
Decrease (increase) in other current assets	694	2,414
Total changes in operating assets	-23,273	-133,723
Changes in operating liabilities		
Increase (decrease) in notes payable	245	285
Increase (decrease) in accounts payable	34,185	32,785
Increase (decrease) in other payable	-32,762	24,455
Increase (decrease) in other current liabilities	44,335	14,816
Total changes in operating liabilities	46,003	72,341
Total changes in operating assets and liabilities	22,730	-61,382
Total adjustments	50,543	-40,417
Cash inflow (outflow) generated from operations	279,697	236,152
Interest received	841	589
Interest paid	-1,566	-904
Income taxes refund (paid)	-66,115	-44,036
Net cash flows from (used in) operating activities	212,857	191,801
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-19,845	-18,121
Proceeds from disposal of property, plant and equipment	650	2
Acquisition of intangible assets	-4,063	-786
Increase in other non-current assets	320	-114
Net cash flows from (used in) investing activities	-22,938	-19,019
Cash flows from (used in) financing activities		
Decrease in short-term loans	-15,200	-2,000

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 Consolidated Statements of Cash Flows

	(In Thousands of New Taiwan Dollars)	
Item	<u>2015/1/1-6/30</u>	<u>2014/1/1-6/30</u>
Repayments of long-term debt	-2,699	-875
Decrease in other non-current liabilities	-511	-548
Exercise of employee share options	9,918	9,921
Change in noncontrolling interests	0	15
Net cash flows from (used in) financing activities	-8,492	6,513
Effect of exchange rate changes on cash and cash equivalents	-38,577	-3,606
Net increase (decrease) in cash and cash equivalents	142,850	175,689
Cash and cash equivalents at beginning of period	377,502	377,117
Cash and cash equivalents at end of period	520,352	552,806
Cash and cash equivalents reported in the statement of financial position	520,352	552,806