

Axiomtek Co., Ltd.

Parent Company Only Balance Sheets

Expressed in Thousands of TWD

	2013/12/31		2012/12/31		2012/01/01	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Total cash and cash equivalents	\$ 105,155	6	\$ 161,040	10	\$ 146,806	10
Total current financial assets at fair value through profit or loss	127,031	7	3,002	-	19,014	1
Notes receivable, net	9,719	-	15,854	1	37,515	3
Accounts receivable, net	106,547	6	82,955	5	81,519	5
Accounts receivable due from related parties, net	159,563	9	130,995	8	135,749	9
Other receivables, net	12,879	1	2,603	-	1,152	-
Other receivables due from related parties, net	16,022	1	64	-	64	-
Total inventories	302,974	16	261,970	16	233,823	16
Total prepayments	3,418	-	27,950	2	27,010	2
Total other current assets	512	-	486	-	358	-
Total current assets	843,820	46	686,919	42	683,010	46
Non-current assets						
Non-current financial assets at cost, net	923	-	923	-	923	-
Investments accounted for using equity method, net	752,466	41	678,762	42	559,682	38
Total property, plant and equipment	210,557	11	218,479	14	213,450	14
Total intangible assets	13,455	1	11,089	1	7,662	1
Deferred tax assets	16,195	1	17,218	1	16,992	1
Prepayments for business facilities	-	-	-	-	-	-
Guarantee deposits paid	6,223	-	5,814	-	6,700	-
Total non-current assets	999,819	54	932,285	58	805,409	54
Total assets	\$ 1,843,639	100	\$ 1,619,204	100	\$ 1,488,419	100
Liabilities and equity						
Liabilities						
Current liabilities						
Total notes payable	\$ 182	-	\$ 2	-	\$ 19	-
Total accounts payable	209,598	11	153,886	9	125,317	8
Total accounts payable to related parties	14,265	1	8,365	1	13,836	1
Total other payables	146,791	8	132,409	8	109,755	7
Current tax liabilities	31,100	2	20,480	1	7,743	1
Total advance receipts	6,174	-	9,448	1	7,325	1
Other current liabilities, others	1,224	-	849	-	1,079	-
Total current liabilities	409,334	22	325,439	20	265,074	18
Non-current liabilities						
Total deferred tax liabilities	35,106	2	31,708	2	32,162	2
Accrued pension liabilities	34,142	2	32,615	2	27,446	2
Total non-current liabilities	69,248	4	64,323	4	59,608	4
Total liabilities	478,582	26	389,762	24	324,682	22
Equity						
Share capital						
Ordinary share	776,540	42	773,430	48	773,430	52
Advance receipts for share capital	-	-	-	-	-	-
Capital surplus						
Total capital surplus	118,925	7	113,697	7	138,978	9
Retained earnings						
Legal reserve	230,919	13	213,131	13	198,769	13
Special reserve	27,849	1	20,418	1	-	-
Total unappropriated retained earnings (accumulated deficit)	207,772	11	119,667	8	70,171	5
Other equity interest						
Total other equity interest	3,052	-	(10,901)	(1)	-	-
Treasury shares						
	-	-	-	-	(17,611)	(1)
Total equity	1,365,057	74	1,229,442	76	1,163,737	78
Major commitment & contingent item						
Total liabilities and equity	\$ 1,843,639	100	\$ 1,619,204	100	\$ 1,488,419	100

Axiomtek Co., Ltd.
Parent Company Only Statements of Comprehensive Income

Expressed in Thousands of TWD (except for EPS)

	2013		2012	
	Amount	%	Amount	%
Operating revenue				
Total operating revenue	\$ 2,003,259	100	\$ 1,705,602	100
Operating costs				
Total operating costs	(1,474,896)	(74)	(1,233,435)	(72)
Gross profit (loss) from operations	528,363	26	472,167	28
Unrealized profit (loss) from sales	(22,812)	(1)	(18,242)	(1)
Realized profit (loss) on from sales	18,242	1	23,000	1
Gross profit (loss) from operations	523,793	26	476,925	28
Operating expenses				
Total selling expenses	(63,272)	(4)	(78,314)	(4)
Total administrative expenses	(68,895)	(3)	(62,840)	(4)
Total research and development expenses	(224,088)	(11)	(190,615)	(11)
Total operating expenses	(356,255)	(18)	(331,769)	(19)
Net operating income (loss)	167,538	8	145,156	9
Non-operating income and expenses				
Total other income	13,167	1	8,148	-
Other gains and losses, net	3,461	-	(8,716)	(1)
Finance costs, net	(191)	-	(9)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	118,399	6	58,912	3
Total non-operating income and expenses	134,836	7	58,335	2
Profit (loss) before tax	302,374	15	203,491	11
Total tax expense (income)	(33,557)	(2)	(25,040)	(1)
Profit (loss)	\$ 268,817	13	\$ 178,451	10
Other comprehensive income				
Other comprehensive income, before tax, exchange differences on translation	\$ 16,949	1	(\$ 13,134)	(1)
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(2,555)	-	(6,385)	-
Total share of other comprehensive income of associates and joint ventures accounted for using equity method	498	-	(4,020)	-
Income tax relating to components of other comprehensive income	(2,562)	-	3,318	-
Other comprehensive income, net	\$ 12,330	1	(\$ 20,221)	(1)
Comprehensive income	\$ 281,147	14	\$ 158,230	9
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

Axiontek Co., Ltd.
Parent Company Only Statements of Change in Equity
For the Years Ended December 31, 2013 and 2012

Expressed in Thousands of TWD

	Capital surplus					Retained Earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total
	Share capital-Ordinary share	Capital surplus In Excess of par value-Common Stock	Capital surplus In Excess of par value-Treasury Stock	Capital surplus from Gain on Disposal of Property	Capital surplus from stock option exercised by employees	Legal Reserve	Special Reserve	Unappropriated retained earnings			
Year 2013											
Beginning balance, January 1, 2013	\$ 773,430	\$ 98,369	\$ 1,026	\$ 2	\$ 14,300	\$ 213,131	\$ 20,418	\$ 119,667	(\$ 10,901)	\$ -	\$ 1,229,442
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	-	-	17,788		(17,788)	-	-	-
Special reserve appropriated							7,431	(7,431)	-	-	-
Cash dividends of ordinary share								(151,592)	-	-	(151,592)
Net income for 2013								268,817	-	-	268,817
Other comprehensive income(loss)	-	-	-	-	-			(1,623)	13,953		12,330
Recognized arising from changes in percentage of ownership in subsidiaries	-	-	-	-	-	-		(2,278)	-	-	(2,278)
Stock option exercised by employees	3,110	3,919	-	-	-	-		-	-	-	7,029
Compensation cost of employee stock options		-	-	-	1,309	-		-	-	-	1,309
Ending balance, December 31, 2013	<u>\$ 776,540</u>	<u>\$ 102,288</u>	<u>\$ 1,026</u>	<u>\$ 2</u>	<u>\$ 15,609</u>	<u>\$ 230,919</u>	<u>\$ 27,849</u>	<u>\$ 207,772</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ 1,365,057</u>
Year 2012											
Beginning balance, January 1, 2012	\$ 773,430	\$ 130,699	\$ -	\$ 2	\$ 8,277	\$ 198,769	\$ -	\$ 70,171	\$ -	(\$ 17,611)	\$ 1,163,737
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	-	-	14,362		(14,362)	-	-	-
Special reserve appropriated							20,418	(20,418)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-		(83,685)	-	-	(83,685)
Capital surplus allocated to shareholders	-	(32,330)	-	-	-	-		-	-	-	(32,330)
Net income for 2012	-	-	-	-	-	-		178,451	-	-	178,451
Other comprehensive income(loss)	-	-	-	-	-	-		(9,320)	(10,901)		(20,221)
Recognized arising from changes in percentage of ownership in subsidiaries	-	-	-	-	-	-		(1,170)	-	-	(1,170)
Treasury shares transferred to employee	-		1,026					-		17,611	18,637
Compensation cost of employee stock options		-	-	-	6,023	-		-	-	-	6,023
Ending balance, December 31, 2012	<u>\$ 773,430</u>	<u>\$ 98,369</u>	<u>\$ 1,026</u>	<u>\$ 2</u>	<u>\$ 14,300</u>	<u>\$ 213,131</u>	<u>\$ 20,418</u>	<u>\$ 119,667</u>	<u>(\$ 10,901)</u>	<u>\$ -</u>	<u>\$ 1,229,442</u>

Axiomtek Co., Ltd.
Parent Company Only Statements of Cash Flows

Expressed in Thousands of TWD

	2013	2012
Cash flows from (used in) operating activities, indirect method		
Profit (loss) before tax	\$ 302,374	\$ 203,491
Adjustments		
Adjustments to reconcile profit (loss)		
Provision (reversal of provision) for bad debt expense	-	-
Provision (reversal of provision) for bad debt expense	288	570
Depreciation expense	23,111	24,738
Amortization expense	2,537	2,125
Interest income	(151)	(347)
Allowance for inventory valuation loss	12,400	8,880
Loss (gain) on disposal of investments	(157)	(403)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(29)	12
Share of loss (profit) of associates and joint ventures accounted for using equity method	(118,399)	(58,912)
Dividend income	55,296	29,923
Loss (gain) on disposal of property, plan and equipment	-	1,387
Interest expense	191	9
Share-based payments	1,309	7,098
Unrealized profit (loss) from sales	4,570	(4,758)
Changes in operating assets and liabilities		
Changes in operating assets		
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(123,843)	16,403
Decrease (increase) in notes receivable	6,135	21,661
Decrease (increase) in accounts receivable	(52,448)	2,748
Decrease (increase) in other receivable	(26,214)	(1,451)
Decrease (increase) in inventories	(53,404)	(37,027)
Decrease (increase) in prepayments	24,545	(940)
Decrease (increase) in other current assets	(40)	(127)
Changes in operating liabilities		
Increase (decrease) in notes payable	180	(17)
Increase (decrease) in accounts payable	61,612	23,098
Increase (decrease) in other payable	14,380	23,327
Increase (decrease) in receipts in advance	(3,274)	2,123
Increase (decrease) in other current liabilities	375	(230)
Increase (decrease) in accrued pension liabilities	(1,028)	(1,216)
Cash inflow (outflow) generated from operations	130,316	262,165
Interest received	131	347
Interest paid	(191)	(9)
Income taxes refund (paid)	(21,077)	(9,658)
Net cash flows from (used in) operating activities	109,179	252,845
Cash flows from (used in) investing activities		
Acquisition of investments accounted for using equity method	-	(103,656)
Acquisition of property, plant and equipment	(15,206)	(33,371)
Proceeds from disposal of property, plant and equipment	17	1,536
Acquisition of intangible assets	(4,903)	(5,552)
Increase in prepayments for business facilities	-	-
Increase in refundable deposits	(409)	886
Net cash flows from (used in) investing activities	(20,501)	(140,157)
Cash flows from (used in) financing activities		
Cash dividends paid	(151,592)	(83,685)
Additional paid-in capital allocated to shareholders	-	(32,330)
Proceeds from sale of treasury shares	-	17,561
Exercise of employee share options	7,029	-
Net cash flows from (used in) financing activities	(144,563)	(98,454)
Net increase (decrease) in cash and cash equivalents	(55,885)	14,234
Cash and cash equivalents at beginning of period	161,040	146,806
Cash and cash equivalents at end of period	\$ 105,155	\$ 161,040