

Teco Image Systems Co., Ltd and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months ended March 31, 2014 and 2013

In Thousands of New Taiwan Dollars, Except Earnings Per Share

	2014	%	2013	%
<i>TOTAL SALES REVENUE, NET</i>	592,188	100	629,184	100
<i>TOTAL COST OF SALES</i>	(443,982)	(75)	(532,213)	(85)
<i>GROSS PROFIT</i>	148,206	25	96,971	15
<i>OPERATING EXPENSES</i>				
<i>Selling expenses</i>	(16,795)	(3)	(24,097)	(4)
<i>General and administrative expenses</i>	(47,167)	(8)	(51,766)	(8)
<i>R&D expenses</i>	(56,725)	(10)	(70,844)	(11)
<i>Total operating expenses</i>	(120,687)	(21)	(146,707)	(23)
<i>OPERATING PROFIT (LOSS)</i>	27,519	4	(49,736)	(8)
<i>NON-OPERATING REVENUE AND EXPENSES</i>				
<i>Other income</i>	6,884	1	2,074	-
<i>Other gains and losses</i>	29,499	5	17,747	3
<i>Finance costs</i>	(455)	-	(613)	-
<i>Total non-operating revenue and expenses</i>	35,928	6	19,208	3
<i>PROFIT BEFORE INCOME TAX</i>	63,447	10	(30,528)	(5)
<i>Income tax expenses</i>	(13,474)	- 2	(1,480)	-
<i>NET INCOME</i>	49,973	8	(32,008)	(5)
<i>OTHER COMPREHENSIVE INCOME (LOSS)</i>				
<i>Financial statements translation differences of foreign operations</i>	6,661	1	5,534	1
<i>Unrealized gain (loss) on valuation of available-for-sale financial assets</i>	51,143	9	50,267	8
<i>Total comprehensive income for the year</i>	107,777	18	23,793	4
<i>NET INCOME (LOSS) ATTRIBUTABLE TO:</i>				
<i>Shareholders of the parent</i>	49,973	8	(31,177)	(5)
<i>Noncontrolling interests</i>	-	-	(831)	-
<i>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</i>				
<i>Shareholders of the parent</i>	104,538	17	22,805	4
<i>Noncontrolling interests</i>	3,239	1	988	-
<i>EARNINGS PER SHARE</i>				
<i>Basic earnings per share</i>	0.44		(0.28)	
<i>Diluted earnings per share</i>	0.44		(0.28)	

Teco Image Systems Co., Ltd and Subsidiaries
Consolidated Balance Sheets
March 31, 2014 and 2013

In Thousands of New Taiwan Dollars

	<u>2014.03.31</u>	<u>%</u>	<u>2013.03.31</u>	<u>%</u>		<u>2014.03.31</u>	<u>%</u>	<u>2013.03.31</u>	<u>%</u>
<u>ASSETS</u>					<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>				
<u>CURRENT ASSETS</u>					<u>CURRENT LIABILITIES</u>				
Total cash and cash equivalents	754,725	25	522,063	21	Total short-term borrowings	12,760	-	111,319	5
Total current financial assets at fair value through profit or loss	202,002	7	172,616	7	Total notes payable	-	-	31,219	1
Notes receivable, net	1,093	-	1,681	-	Total accounts payable	407,402	14	372,904	15
Accounts receivable, net	435,494	15	445,327	18	Total accounts payable to related parties	5,172	-	9,879	-
Other receivables, net	29,376	1	42,365	2	Total other payables	213,026	7	193,689	8
Total current tax assets	7,524	-	14	-	Current tax liabilities	16,946	1	-	-
Total Inventories	280,253	9	375,738	15	Total current provisions	22,668	1	21,378	1
Total prepayments	47,760	2	64,030	3	Total other current liabilities	162,503	5	99,387	4
Total other current assets	22,649	1	20,461	1					
Total current assets	<u>1,780,876</u>	<u>60</u>	<u>1,644,295</u>	<u>67</u>	Total current liabilities	<u>840,477</u>	<u>28</u>	<u>839,775</u>	<u>34</u>
					<u>NON-CURRENT LIABILITIES</u>				
					Total deferred income tax liabilities	1,719	-	328	-
					Total other non-current liabilities	84,828	3	85,041	4
					Total non-current liabilities	<u>86,547</u>	<u>3</u>	<u>85,369</u>	<u>4</u>
					Total liabilities	<u>927,024</u>	<u>31</u>	<u>925,144</u>	<u>38</u>
					<u>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</u>				
					Share capital				
					Share capital - common stock	1,125,365	38	1,125,365	46
					Retained earnings				
					Legal reserve	282,280	10	287,192	12
					Special reserve	143,590	5	109,179	4
					Unappropriated retained earnings (accumulated deficit)	63,170	2	(24,126)	(1)
					Other equity				
					Other equity	341,068	11	(56,591)	(3)
					Total equity attributable to shareholders of the parent	<u>1,955,473</u>	<u>66</u>	<u>1,441,019</u>	<u>58</u>
					<u>NONCONTROLLING INTERESTS</u>				
					Total equity	<u>68,171</u>	<u>3</u>	<u>90,380</u>	<u>4</u>
					Total equity	<u>2,023,644</u>	<u>69</u>	<u>1,531,399</u>	<u>62</u>
					<u>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</u>				
<u>TOTAL ASSETS</u>	<u>2,950,668</u>	<u>100</u>	<u>2,456,543</u>	<u>100</u>	<u>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</u>	<u>2,950,668</u>	<u>100</u>	<u>2,456,543</u>	<u>100</u>