

LuxNet Corporation and Subsidiaries
Consolidated Balance Sheets
(In Thousands of New Taiwan Dollars)

	March 31, 2014 (Reviewed)		June 30, 2014 (Reviewed)		September 30, 2014 (Reviewed)		December 31, 2014 (Audited)	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current Assets								
Cash and cash equivalent	\$ 142,507	6	\$ 154,255	6	\$ 149,138	6	\$ 96,074	3
Notes and Account Receivable	628,637	26	658,389	27	686,403	26	870,441	31
Inventory	486,962	21	566,177	23	622,414	24	634,184	23
Prepayments	11,909	1	19,555	1	4,061	-	3,815	-
Other current assets	31,419	1	32,054	1	42,152	2	49,423	2
Current assets total	1,301,434	55	1,430,430	58	1,504,168	58	1,653,937	59
Noncurrent assets								
Properties, factories, and equipment	1,018,303	43	1,002,459	40	996,043	39	1,035,614	37
Intangible assets	42,568	1	38,917	2	36,333	1	34,874	1
Other noncurrent assets	14,000	1	11,636	-	50,236	2	69,385	3
Noncurrent assets total	1,074,871	45	1,053,012	42	1,082,612	42	1,139,873	41
Total assets	\$ 2,376,305	100	\$ 2,483,442	100	\$ 2,586,780	100	\$ 2,793,810	100
Liabilities and equity								
Current liabilities:								
Short-term loans	\$ 589,649	25	\$ 498,599	20	\$ 509,545	20	\$ 382,240	14
Notes and Account Payable	384,419	16	518,288	21	501,027	19	562,973	20
Accrued expenses and other payables	94,197	4	135,807	6	121,867	5	180,658	7
Long-term loans to expire within one year	-	-	-	-	-	-	-	-
Other current liabilities	3,580	-	9,121	-	15,570	1	12,609	-
Current liabilities total	1,071,845	45	1,161,815	47	1,148,009	45	1,138,480	41
Non-current liabilities:								
Long-term loans	-	-	-	-	50,000	2	180,000	7
Other noncurrent liabilities	9,842	-	9,678	-	9,938	-	11,341	-
Noncurrent liabilities total	9,842	-	9,678	-	59,938	2	191,341	7
Total liabilities	1,081,687	45	1,171,493	47	1,207,947	47	1,329,821	48
Equities:								
Capital stock	608,009	26	677,965	27	672,709	26	672,709	24
Capital reserves	386,465	16	386,052	16	400,394	15	399,789	14
Retained earnings	303,468	13	251,198	10	312,349	12	395,324	14
Other equities	(3,324)	-	(3,266)	-	(6,619)	-	(3,833)	-
Total equity	1,294,618	55	1,311,949	53	1,378,833	53	1,463,989	52
Total liabilities and equity	\$ 2,376,305	100	\$ 2,483,442	100	\$ 2,586,780	100	\$ 2,793,810	100

(Please carefully read the accompanying notes of the consolidated balance sheet)

Chairman: Hsing-Hsien Kung

President: James Ni

CFO: Jim SHEU

LuxNet Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1, 2014 to December 31, 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per share)

	Three Months Ended March 31, 2014		For the Three Months Ended June 30, 2014		Three Months Ended September 30, 2014		Three Months Ended December 31, 2014		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 613,190	100	\$ 718,946	100	\$ 791,385	100	\$ 891,701	100	\$ 3,015,222	100
Operating costs	512,136	84	601,480	84	649,449	82	724,990	81	2,488,055	83
Gross profit	101,054	16	117,466	16	141,936	18	166,711	19	527,167	17
Operating expenses										
Selling expenses	10,560	2	11,814	2	12,539	2	13,642	2	48,555	1
Management expenses	33,566	5	32,618	4	33,540	4	41,620	5	141,344	5
R&D Expenses	18,114	3	21,513	3	24,435	3	24,325	3	88,387	3
Total operating expenses	62,240	10	65,945	9	70,514	9	79,587	9	278,286	9
Operating income	38,814	6	51,521	7	71,422	9	87,124	10	248,881	8
Non-operating income and expense:										
Interest income	967	-	246	-	322	-	178	-	1,713	-
Other profits and losses	2,810	-	(860)	-	3,875	-	19,669	2	25,494	1
Financial costs	(1,962)	-	(1,907)	-	(1,740)	-	(1,916)	-	(7,525)	-
	1,815	-	(2,521)	-	2,457	-	17,931	2	19,682	1
Pre-tax profit	40,629	6	49,000	7	73,879	9	105,055	12	268,563	9
Minus: Income tax expense	6,795	1	10,084	2	12,728	1	22,080	2	51,687	2
Current period net income	33,834	5	38,916	5	61,151	8	82,975	10	216,876	7
Other comprehensive profits and losses:										
Share of other comprehensive income/loss from	-	-	-	-	-	-	-	-	1,150	-
Exchange differences on translating foreign	(182)	-	(1,144)	-	1,348	-	1,128	-	-	-
Minus: Income tax related to other comprehensive	(31)	-	(194)	-	229	-	192	-	196	-
Other comprehensive income/losses (net, after-tax)	(151)	-	(950)	-	1,119	-	936	-	954	-
Total comprehensive income - current	\$ 33,683	5	\$ 37,966	5	\$ 62,270	8	\$ 83,911	10	\$ 217,830	7
Earnings per share										
Basic earnings per share	\$ 0.56		\$ 0.64		\$ 0.92		\$ 1.14		\$ 3.26	
Diluted earnings per share	\$ 0.55		\$ 0.64		\$ 0.91		\$ 1.12		\$ 3.22	

(Please carefully read the accompanying notes of the consolidated balance sheet)

Chairman: Hsing-Hsien Kung

President: James Ni

CFO: Jim SHEU

LuxNet Corporation and its Subsidiaries
Consolidated statement of changes in equity
(In Thousands of New Taiwan Dollars)

	Retained earnings					Other equity items		
	Paid-in capital	Capital reserves	Statutory reserve	Undistributed earnings	Total	Subsidiaries recognized by the equity method other comprehensive	Shares of Compensation not earned by employees	Total equity
Balance as of January 1, 2013	\$ 499,761	361,019	14,561	257,284	271,845	(1,109)	-	1,131,516
Current period net income	-	-	-	122,729	122,729	-	-	122,729
Other comprehensive income - current	-	-	-	-	-	3,131	-	3,131
Total comprehensive income - current	-	-	-	122,729	122,729	3,131	-	125,860
Appropriation and distribution: (Note 1)								
Statutory reserves	-	-	18,134	(18,134)	-	-	-	-
Shareholders' dividends (stock and cash)	99,952	-	-	(124,940)	(124,940)	-	-	(24,988)
Employee stock bonuses	4,996	15,133	-	-	-	-	-	20,129
Restricted stock	3,300	10,313	-	-	-	-	(6,072)	7,541
Balance as of December 31, 2013	608,009	386,465	32,695	236,939	269,634	2,022	(6,072)	1,260,058
Current period net income	-	-	-	216,876	216,876	-	-	216,876
Other comprehensive income - current	-	-	-	-	-	954	-	954
Total comprehensive income - current	-	-	-	216,876	216,876	954	-	217,830
Appropriation and distribution: (Note 2)								
Statutory reserves	-	-	12,273	(12,273)	-	-	-	-
Shareholders' dividends (stock and cash)	60,791	-	-	(91,186)	(91,186)	-	-	(30,395)
Employee stock bonuses	2,199	6,966	-	-	-	-	-	9,165
Restricted stock	1,810	6,671	-	-	-	-	(950)	7,531
Retirement of Restricted stock	(100)	(313)	-	-	-	-	213	(200)
Balance as of December 31, 2014	\$ 672,709	399,789	44,968	350,356	395,324	2,976	(6,809)	1,463,989

Note 1: Compensation of directors and supervisors \$5,032,000 and employee bonuses \$20,129,000 have already been deducted from the consolidated statement of comprehensive income.

Note 2: Compensation of directors and supervisors \$2,490,000 and employee bonuses \$9,165,000 have already been deducted from the consolidated statement of comprehensive income.

(Please carefully read the accompanying notes of the consolidated balance sheet)

Chairman: Hsing-Hsien Kung

President: James Ni

CFO: Jim SHEU

LuxNet Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1, 2014 to December 31, 2014
(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31, 2014	For the Three Months Ended June 30, 2014	Three Months Ended September 30, 2014	Three Months Ended December 31, 2014	2014
Cash flow from operating activities:					
Pre-tax profit	\$ 40,629	\$ 49,000	\$ 73,879	\$ 105,055	\$ 268,563
Adjustments:					
Income and expense items that do not effect cash flow					
Depreciation and amortization	26,698	30,376	30,959	32,691	120,724
Impairment losses					
Provisions for losses of bad debt, depreciation of inventory,	5,545	6,196	6,532	16,023	34,296
Compensation costs of recognized employee stock options	877	795	994	1,245	3,911
Loss on valuation of financial asset/loss on valuation of	-	-	1,905	2,254	4,159
Interest expense	1,962	1,907	1,740	1,916	7,525
Interest income	(967)	(246)	(322)	(178)	(1,713)
Other	-	-	-	-	-
Total gains and losses without cash flow effects	34,115	39,028	41,808	53,951	168,902
Number of changes in assets and debts related to operating					
Net changes of assets related to operating activities:					
Notes and accounts receivable	18,224	(29,781)	(27,766)	(184,352)	(223,675)
Inventory	(45,896)	(85,380)	(63,021)	(27,485)	(221,782)
Prepayments and other current assets	(944)	1,246	(10,437)	(7,085)	(17,220)
Total of net changes of assets related to operating activities	(28,616)	(113,915)	(101,224)	(218,922)	(462,677)
Net changes of debts related to operating activities:					
Notes and accounts payable	51,946	133,869	(17,261)	61,946	230,500
Accrued expenses and other payables	(5,243)	18,984	16,169	36,034	65,944
Other current liabilities	-	-	-	-	-
Other	(1,240)	5,602	4,575	(5,509)	3,428
Total of net changes of debts related to operating activities	45,463	158,455	3,483	92,471	299,872
Total of net changes of assets and debts related to operating	16,847	44,540	(97,741)	(126,451)	(162,805)
Adjustments	50,962	83,568	(55,933)	(72,500)	6,097
Cash inflow (outflow) from operating activities	91,591	132,568	17,946	32,555	274,660
Interest received	933	247	320	213	1,713
Interest paid	(2,198)	(1,952)	(1,589)	(2,022)	(7,761)
Income tax paid	-	(8,643)	(13,005)	(562)	(22,210)
Net cash inflow (outflow) from operating activities	90,326	122,220	3,672	30,184	246,402
Cash flow from investing activities:					
Acquire property, factories, and equipment	(30,095)	(7,743)	(8,786)	(62,645)	(109,269)
Disposition of					
Prepayments for (decrease) additional equipment	1,590	(8,675)	(30,282)	(12,834)	(50,201)
Acquire other noncurrent assets	(1,381)	(2,097)	(4,630)	(10,772)	(18,880)
Net cash outflow from investing activities	(29,886)	(18,515)	(43,698)	(86,251)	(178,350)
Cash flow from financing activities:					
Increase in (Repayment of) short-term loans	(43,605)	(91,050)	10,946	(127,305)	(251,014)
Increase in (Repayment of) long-term loans	(4,750)	-	50,000	130,000	175,250
Distribution of cash dividends	-	-	(30,395)	-	(30,395)
Issuing restricted stocks for employees	-	-	3,620	-	3,620
Other	-	(200)	-	-	(200)
Net cash inflow from financing activities	(48,355)	(91,250)	34,171	2,695	(102,739)
Exchange rate effects on cash and cash equivalents	(62)	(707)	738	308	277
Increase (decrease) in cash and cash equivalents for the current	12,023	11,748	(5,117)	(53,064)	(34,410)
Opening cash and cash equivalents	130,484	142,507	154,255	149,138	130,484
Closing cash and cash equivalents	\$ 142,507	\$ 154,255	\$ 149,138	\$ 96,074	\$ 96,074

(Please carefully read the accompanying notes of the consolidated balance sheet)

Chairman: Hsing-Hsien Kung

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