MEGAFORCE CO., LTD. AND SUBSIDIARIES Consolidated Financial Statements for the Six Months Ended June 30, 2014 and 2013 (Reviewed , Not Audited)

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MEGAFORCE CO., LTD. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS June 30, 2014, December 31, And June 30, 2013 (Expressed in Thousands of New Taiwan Dollars)

2014.6.30			2013.12.31		2013.6.30				2014.6.3	0	2013.12.31		2013.6.30			
		(Reviewed)			(Audited)		(Reviewed)				(Reviewed)		(Audited)		(Reviewed)	
	ASSETS		Amount	%	Amount	%	Amount	%		LIABILITIES AND STOCKHOLDERS' EQUITY	Amour	nt %	Amount	%	Amount	%
	Current assets									Current liabilities						
1100	Cash and cash equivalents	\$	675,501	14	610,484	12	771,966	14	2100	Short-term borrowings	\$ 949,51	8 20	977,043	20	987,549	18
1110	Financial assets at fair value through profit or loss - current		243	-	-	-	2,951	-	2120	Financial liabilities at fair value through profit or loss -current			723	-	295	-
1170	Notes and accounts receivable, net		1,469,407	31	1,744,468	35	1,735,761	32	2170	Notes and accounts payable	523,59	0 11	574,682	12	617,541	12
1310	Inventories		561,414	12	566,336	11	595,163	11	2200	Other payables	471,21	2 10	516,768	10	493,111	9
1460	Non-current assets classified as held for sale,		-	-	12,555	-	-	-	2230	Current tax liabilities	22,57	2 1	25,661	1	27,476	1
	net								2250	Current provisions	47,02	0 1	46,671	1	-	-
1476	Other financial assets - current		439,254	9	324,083	7	433,553	8	2399	Other current liabilities	59,93	7 1	60,096	1	62,083	1
1479	Other current assets		43,004	1	45,510	1	44,516	1	2321	Bonds payable, current portion or exercise sell			-	-	289,737	5
	Total current assets		3,188,823	67	3,303,436	66	3,583,910	66		back						
									2322	Long-term borrowings, current portion	10,00	0 -	23,960	-	69,276	1
Non-current assets										Total current liabilities	2,083,84	9 44	2,225,604	45	2,547,068	47
1523	Available-for-sale financial assets-non-current		27,951	1	22,006	-	50,058	1		Non-current liabilities						
1543	Non-current financial assets at cost, net		1,731	-	-	-	-	-	2540	Long-term borrowings	50,00	0 1	5,990	-	18,072	-
1600	Property, plant and equipment		1,310,686	27	1,440,463	29	1,502,729	28	2640	Accrued pension liabilities	152,67	1 3	150,260	3	156,275	3
1780	Intangible assets		51,244	1	39,329	1	43,826	1	2670	Other non-current liabilities	3,01	1 -	3,070	-	460	-
1980	Other financial assets - non-current		20,560	-	14,446	-	31,199	-		Total non-current liabilities	205,68	2 4	159,320	3	174,807	3
1990	Other non-current assets		185,593	4	188,151	4	192,533	4		Total liabilities	2,289,53	1 48	2,384,924	48	2,721,875	50
	Total non-current assets		1,597,765	33	1,704,395	34	1,820,345	34								
										Equity attributable to owners of parent						
									3100	Capital stock	1,300,24	9 27	1,291,914	26	1,290,371	24
									3200	Capital surplus	1,015,96	3 22	1,141,793	23	1,138,892	21
									3300	Accumulated deficit	(134,446	6) (3)	(128,145)	(3)	(33,727)	-
									3400	Other equity interest	247,16	3 5	302,274	6	272,318	5
									Total equity attributable to owners of		2,428,92	9 51	2,607,836	52	2,667,854	50
										parent						
									36XX	Non-controlling interests	68,12	8 1	15,071	-	14,526	-
										Total equity	2,497,05		2,622,907	52	2,682,380	50
TOTAL ASSETS		\$ 4	4,786,588	100	5,007,831	100	5,404,255	100		TOTAL LIABILITIES AND EQUITY	\$ 4,786,58	8 100	5,007,831	100	5,404,255	100

MEGAFORCE CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		٦	Three Mon	ths Er	nded June 30	1	Six Months Ended June 30				
4000 Operating revenue \$ 1.194.018 100 1.328.638 100 2.232.891 100 2.490.169 100 5000 Operating costs 1.103.173 93 1.177.989 69 2.069.914 93 2.207.937 89 Gross profit from operations 90.845 7 148.847 11 162.977 7 282.232 11 6100 Selling expenses 23.894 2 25.318 2 46.999 2 48,700 2 6200 Administrative expenses 31.273 2 23.200 2 60.343 3 46.092 2 Total operating income (loss) (55.676 10 272.869 12 233.628 9 Non-operating income (loss) (55.676 127.07 2 (109.882) 6 48.604 2 7101 Interest income 2.100 3.099 3.595 6.926 - 6.344 - 6.344 - 6.344 2 7900 Income (loss) 6 <		2014			2013		2014	2013			
5000 Operating costs 1,103,173 93 1,177,389 89 2.069,914 93 2.207,937 89 Gross profit from operations 90,845 7 148,847 11 162,977 7 222,232 11 Gross profit from operating expenses 91,354 8 7,2552 165,527 7 138,336 5 6100 Selling expenses 91,354 8 7,2552 165,527 7 138,336 5 6300 Research and development expenses 31,273 2 23,000 2 60,343 3 46,002 2 Net operating income (loss) (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 7020 Other gains and losses 9 6,274 688 12,123 - (11,73) - (11,73) - (11,73) - (12,73) - (12,73) - (12,73) - (12,73) - (12,73) - (12,73) - (12,73) - (12,73) - (14,844) (5) 3,008 - (14,844) - <t< th=""><th></th><th></th><th>Amount</th><th>%</th><th>Amount</th><th>%</th><th>Amount</th><th>%</th><th>Amount</th><th>%</th></t<>			Amount	%	Amount	%	Amount	%	Amount	%	
Gross profit from operations Operating expenses : 90,845 7 148,847 11 162,977 7 282,232 11 00 Seling expenses : 23,894 2 25,318 2 46,999 2 48,700 2 6200 Administrative expenses 91,354 8 72,552 5 165,527 7 138,836 5 6300 Research and development expenses 31,273 2 23,200 2 60,343 3 46,092 2 233,268 9 Non-operating income (loss) (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 Non-operating income and expenses : (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 11,11 161 17,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123 - 11,123	4000 Operating revenue	\$	1,194,018	100	1,326,836	100	2,232,891	100	2,490,169	100	
Operating expenses : 23,894 2 25,318 2 46,999 2 48,700 2 6100 Selling expenses 91,354 8 72,552 5 165,527 7 138,836 5 6300 Research and development expenses 144,521 12 121,070 9 272,869 12 23,528 9 Non-operating income (loss) (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 Non-operating income and expenses : (4,315) (6,275) (9,225) (12,735) - 7020 Other gains and losses 9 6,274 688 12,123 - 7900 Income (Loss) before tax (57,882) (5) 30,0785 2 (114,834) (5 6,314 - 7900 Income (loss) (74,172) (6) 10,764 1 (142,452) (6) 21,397 1 7900 Income (loss) income (loss) (74,172) (6) 10,764 1 (142,452) <td>5000 Operating costs</td> <td></td> <td>1,103,173</td> <td>93</td> <td>1,177,989</td> <td>89</td> <td>2,069,914</td> <td>93</td> <td>2,207,937</td> <td>89</td>	5000 Operating costs		1,103,173	93	1,177,989	89	2,069,914	93	2,207,937	89	
6100 Selling expenses 23,894 2 25,318 2 46,999 2 48,700 2 6200 Administrative expenses 91,354 8 72,552 5 166,527 7 138,836 5 6300 Research and development expenses 31,273 2 23,002 2 60,343 3 46,002 2 Total operating income (loss) (55,676) (5) 27,777 2 (109,802) (5) 48,604 2 7010 Interest income 2,100 3,009 - 3,595 - 6,926 - 7101 Interest income 2,100 - 3,009 - 3,595 - (6,926 - 7510 Finance costs (2,206) - 3,008 - (14,421) - 6,314 - 7900 Income (Loss) before tax (57,882) (5) 30,785 2 (114,834) (5) 54,118 2 810 Other comprehensive income (loss), before tax, available-for-sale financial assets - - - - <	Gross profit from operations		90,845	7	148,847	11	162,977	7	282,232	11	
6200 Administrative expenses 91,354 8 72,552 5 165,527 7 138,836 5 6300 Research and development expenses 31,273 2 23,200 2 60,343 3 46,052 2 Total operating expenses 146,6521 12 121,070 9 272,869 12 233,628 9 Non-operating income (loss) (55,676) (5) 27,777 2 (109,892) (6) 48,604 2 7101 Interest income 2,100 3,009 3,595 6,926 - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - (12,745) - 1 (12,452)	Operating expenses :										
6300 Research and development expenses 31,273 2 22,200 2 60,343 3 46,092 2 Total operating expenses 146,521 12 121,070 9 272,869 12 233,628 9 Net operating income and expenses: (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 7010 Interest income 2,100 - 3,009 - 3,595 - 6,926 - 7020 Other gains and losses 9 - 6,274 - 688 - 12,123 - 7510 Finance costs (4,315) - (6,275) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (12,735) - (14,942) - 6,314 -	6100 Selling expenses		23,894	2	25,318	2	46,999	2	48,700	2	
Total operating expenses 146.521 12 $121,070$ $272,869$ 12 $233,628$ 9 Non-operating income (loss)(55.676)(5) 27.777 2 (109,892)(6) 44.604 2 7101Interest income $2,100$ 3.099 3.595 6.926 2 7020Other gains and losses 9 6.274 688 $12,123$ $-$ 7510Finance costs $(4,315)$ (6.275) $(9,225)$ $(12,735)$ $-$ 7900Income (Loss) before tax $(57,882)$ (5) $30,08$ 2 $(14,834)$ (5) $54,918$ 2 7900Tax expense $(16,230)$ (1) $(22,001)$ (1) $(27,618)$ (1) $(33,521)$ (1) 8200Net income (loss) $(74,172)$ (6) 10.784 $(142,452)$ (6) $21,397$ 1 0 ther comprehensive income (loss), before tax, exchange differences on translation $(36,032)$ (3) $44,183$ $(55,497)$ (3) $106,995$ 4 825Other comprehensive income (loss), net comprehensive income (loss), net $(36,032)$ (3) $44,183$ $(55,497)$ (3) $107,986$ 4 8200Non-controlling interests $(4,058)$ 584 $(8,006)$ 1.209 4 8200Non-comprehensive income (loss), net $(36,032)$ (3) $44,183$ $(55,497)$ (3) $107,986$ 4 8200Non-controlling interests $(4,058)$ 584 <t< td=""><td>6200 Administrative expenses</td><td></td><td>91,354</td><td>8</td><td>72,552</td><td>5</td><td>165,527</td><td>7</td><td>138,836</td><td>5</td></t<>	6200 Administrative expenses		91,354	8	72,552	5	165,527	7	138,836	5	
Net operating income (loss) Non-operating income and expenses : (55,676) (5) 27,777 2 (109,892) (5) 48,604 2 7101 Interest income 2,100 3,009 - 3,595 - 6,926 - 7020 Other gains and losses 9 - 6,274 - 6688 - 12,123 - 7510 Finance costs (4,315) - (6,275) - (9,225) - (12,735) - 7900 Income (Loss) before tax (57,882) (5) 30,785 2 (114,834) (5) 54,918 2 7950 Tax expense (16,290) (1) (20,001) (114,834) (5) 21,397 1 8210 Other comprehensive income (loss) : (39,075) (3) 43,327 3 (58,807) (3) 106,995 4 8230 Other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 106,995 4 <	6300 Research and development expenses		31,273	2	23,200	2	60,343	3	46,092	2	
Non-operating income and expenses : Image: construction of the system of t	Total operating expenses		146,521	12	121,070	9	272,869	12	233,628	9	
7101 Interest income 2,100 - 3,009 - 3,595 - 6,926 - 7020 Other gains and losses 9 - 6,274 - 6688 - 12,123 - 7510 Finance costs (4,315) - (6,275) (9,225) - (12,735) - 7900 Income (Loss) before tax (57,882) (5) 30,785 2 (114,834) (5) 54,918 2 7950 Tax expense (16,290) (1) (20,001) (1) (27,618) (1) (33,527) (1) 8200 Net income (loss) (162,90) (1) (20,001) (1) (27,618) (1) (33,527) (1) 8310 Other comprehensive income (loss), before tax, available-for-sale financial assets (39,075) (3) 43,327 3 (58,807) (3) 106,995 4 8329 Income tax relating to components of other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8500 Total compreh	Net operating income (loss)		(55,676)	(5)	27,777	2	(109,892)	(5)	48,604	2	
7020 Other gains and losses 9 - 6,274 - 688 - 12,123 - 7510 Finance costs (4,315) - (6,275) - (9,225) - (12,735) - 7900 Income (Loss) before tax (57,882) (5) 30,785 2 (114,834) (5) 54,918 2 7950 Tax expense (16,290) (1) (20,001) (1) (27,618) (1) (33,521) (1) 8210 Other comprehensive income (loss) (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Other comprehensive income (loss), before tax, exchange differences on translation 8325 Other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 107,988 4 8390 Other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 107,988 4 8500 Total comprehensive income (loss), net (38,032) (3) 44,183 (55,497) (3)	Non-operating income and expenses :										
7510Finance costs $(4,315)$ $(2,206)$ $(6,275)$ $(2,206)$ $(9,225)$ $(4,942)$ $(12,735)$ 	7101 Interest income		2,100	-	3,009	-	3,595	-	6,926	-	
	7020 Other gains and losses		9	-	6,274	-	688	-	12,123	-	
7900 Income (Loss) before tax (57,882) (5) 30,785 2 (114,834) (5) 54,918 2 7950 Tax expense (16,290) (1) (20,001) (1) (27,618) (1) (33,521) (1) 8200 Net income (loss) (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Other comprehensive income (loss) is (39,075) (3) 43,327 3 (58,807) (3) 106,995 4 8310 Other comprehensive income (loss), before tax, exchange differences on translation 1,043 - 856 - 3,310 - 1,003 - 8325 Other comprehensive income (loss), net comprehensive income (loss), net exchange differences on translation (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8500 Total comprehensive income (loss), net income (loss), attributable to : (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 1 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - 1 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 5 8720 Non-controlling interests (4,317) - 849 - (8,322) - 1,845 -	7510 Finance costs		(4,315)	-	(6,275)	-	(9,225)	-	(12,735)	-	
7950 Tax expense (16,290) (1) (20,01) (1) (27,618) (1) (33,521) (1) 8200 Net income (loss) (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Other comprehensive income (loss). (33,075) (3) 43,327 3 (58,807) (3) 106,995 4 8310 Other comprehensive income, before tax, available-for-sale financial assets 1,043 - 856 - 3,310 - 1,003 - 8309 Income tax relating to components of other comprehensive income (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8500 Other comprehensive income (loss), net comprehensive income (loss), attributable to : (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 1 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - \$ 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - \$ 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 5			(2,206)	-	3,008	-	(4,942)	-	6,314	-	
8200 Net income (loss) $(74,172)$ (6) $10,784$ 1 $(142,452)$ (6) $21,397$ 1 8310 Other comprehensive income (loss), before tax, exchange differences on translation $(33,075)$ (3) $43,327$ 3 $(58,807)$ (3) $106,995$ 4 8325 Other comprehensive income, before tax, available-for-sale financial assets $1,043$ 856 $3,310$ $1,003$ $-$ 8309 Income tax relating to components of other comprehensive income $(38,032)$ (3) $44,183$ $(55,497)$ (3) $107,998$ 4 8500 Total comprehensive income (loss), net $(38,032)$ (3) $44,183$ $(55,497)$ (3) $107,998$ 4 8610 Owners of parent $(70,114)$ (6) $10,200$ 1 $(134,446)$ (6) $20,188$ 1 8620 Non-controlling interests $(4,058)$ 584 $(8,006)$ $1,209$ 1 8610 Owners of parent $(107,887)$ 9 $54,118$ 4 $(189,557)$ 9 $127,550$ 5	7900 Income (Loss) before tax		(57,882)	(5)	30,785	2	(114,834)	(5)	54,918	2	
Other comprehensive income (loss): (39,075) (3) 43,327 3 (58,807) (3) 106,995 4 8310 Other comprehensive income (loss), before tax, exchange differences on translation 1,043 856 3,310 1,003 - 8325 Other comprehensive income, before tax, available-for-sale financial assets 1,043 856 - 3,310 - 1,003 - 8399 Income tax relating to components of other comprehensive income - <	7950 Tax expense		(16,290)	(1)	(20,001)	(1)	(27,618)	(1)	(33,521)	(1)	
8310 Other comprehensive income (loss), before tax, exchange differences on translation (39,075) (3) 43,327 3 (58,807) (3) 106,995 4 8325 Other comprehensive income, before tax, available-for-sale financial assets 1,043 - 856 - 3,310 - 1,003 - 8399 Income tax relating to components of other comprehensive income -	8200 Net income (loss)		(74,172)	(6)	10,784	1	(142,452)	(6)	21,397	1	
exchange differences on translation 8325 Other comprehensive income, before tax, available-for-sale financial assets 8399 Income tax relating to components of other comprehensive income 8300 Other comprehensive income (loss), net 8500 Total comprehensive income (loss), net 8500 Total comprehensive income (loss), net 8610 Owners of parent 8610 Owners of parent 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - \$ (107,887) 8710 Owners of parent (107,887) (9) 54,118 4 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,118 4	Other comprehensive income (loss) :										
8325 Other comprehensive income, before tax, available-for-sale financial assets 1,043 - 856 - 3,310 - 1,003 - 8399 Income tax relating to components of other comprehensive income - <td>8310 Other comprehensive income (loss), before tax,</td> <td></td> <td>(39,075)</td> <td>(3)</td> <td>43,327</td> <td>3</td> <td>(58,807)</td> <td>(3)</td> <td>106,995</td> <td>4</td>	8310 Other comprehensive income (loss), before tax,		(39,075)	(3)	43,327	3	(58,807)	(3)	106,995	4	
available-for-sale financial assets 8399 Income tax relating to components of other comprehensive income 8300 Other comprehensive income (loss), net 8500 Total comprehensive income (loss) Net income (loss), attributable to : (112,204) (9) 8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8620 Non-controlling interests (4,058) - 584 (8,006) - 1,209 - \$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Comprehensive income (loss) attributable to : (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,967 4 (197,949) (9) 129,395 5 8720 Non-controlling interests (4,317) - 849 (8,392) - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 8720	exchange differences on translation										
8399 Income tax relating to components of other comprehensive income 8300 Other comprehensive income (loss), net 8300 Other comprehensive income (loss), net 8500 Total comprehensive income (loss) Net income (loss), attributable to : 8610 Owners of parent 8620 Non-controlling interests (4,058) - (4,058) - (4,058) - (4,058) - (4,058) - (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Comprehensive income (loss) attributable to : (107,887) 8710 Owners of parent (107,887) (6) 54,118 4 (189,557) (9) 127,550 8720 Non-controlling interests (4,317) (4,317) 849 (197,949) (197,949) (9) 129,395 5 (112,204) (9) 54,967 4 (197,949) (19,9395 5 871	8325 Other comprehensive income, before tax,		1,043	-	856	-	3,310	-	1,003	-	
comprehensive income 8300 Other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8500 Total comprehensive income (loss) \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Net income (loss), attributable to : (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - \$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Comprehensive income (loss) attributable to : 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 5 B720 Non-controlling interests (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 5 Barnings per share (expressed in dollars): 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	available-for-sale financial assets										
8300 Other comprehensive income (loss), net (38,032) (3) 44,183 3 (55,497) (3) 107,998 4 8500 Total comprehensive income (loss) Net income (loss), attributable to : (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8620 Non-controlling interests (4,058) - 584 (8,006) - 1,209 - Comprehensive income (loss) attributable to : (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,967 4 (197,949) (9) 127,550 5 8720 Non-controlling interests (4,317) 849 (197,949) (9) 129,395 5 Earnings per share (expressed in dollars): 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	8399 Income tax relating to components of other		-	-	-	-	-	-	-	-	
8500 Total comprehensive income (loss), attributable to : \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Net income (loss), attributable to : (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - \$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 1 Comprehensive income (loss) attributable to : (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,967 4 (197,949) (9) 129,395 5 5 8720 Non-controlling interests (107,887) (9) 54,967 4 (189,557) (9) 127,550 5 5 8720 Non-controlling interests (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 5 Earnings per share (expressed in dollars): 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	comprehensive income										
Net income (loss), attributable to : Image: Complexity of parent Image: Complexity of parent<	8300 Other comprehensive income (loss), net		(38,032)	(3)	44,183	3	(55,497)	(3)	107,998	4	
8610 Owners of parent (70,114) (6) 10,200 1 (134,446) (6) 20,188 1 8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - \$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Comprehensive income (loss) attributable to : -	8500 Total comprehensive income (loss)	\$	(112,204)	(9)	54,967	4	(197,949)	(9)	129,395	5	
8620 Non-controlling interests (4,058) - 584 - (8,006) - 1,209 - Comprehensive income (loss) attributable to : \$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	Net income (loss), attributable to :										
\$ (74,172) (6) 10,784 1 (142,452) (6) 21,397 1 Comprehensive income (loss) attributable to : (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 5 Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	8610 Owners of parent		(70,114)	(6)	10,200	1	(134,446)	(6)	20,188	1	
Comprehensive income (loss) attributable to : (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	8620 Non-controlling interests		(4,058)	-	584	-	(8,006)	-	1,209	-	
to: 8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Earnings per share (expressed in dollars): 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16		\$	(74,172)	(6)	10,784	1	(142,452)	(6)	21,397	1	
8710 Owners of parent (107,887) (9) 54,118 4 (189,557) (9) 127,550 5 8720 Non-controlling interests (4,317) - 849 - (8,392) - 1,845 - \$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	Comprehensive income (loss) attributable										
8720 Non-controlling interests (4,317) - (4,317) - (112,204) (9) 849 - (112,392) - (112,395) 5 Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	to :										
\$ (112,204) (9) 54,967 4 (197,949) (9) 129,395 5 Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	8710 Owners of parent		(107,887)	(9)	54,118	4	(189,557)	(9)	127,550	5	
Earnings per share (expressed in dollars) : 9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16	8720 Non-controlling interests		(4,317)	-	849		(8,392)	-	1,845	-	
9710 Basic earnings (loss) per share \$ (0.54) 0.08 (1.04) 0.16		\$	(112,204)	(9)	54,967	4	(197,949)	(9)	129,395	5	
	Earnings per share (expressed in dollars) :			_				_		_	
9810 Diluted earnings per share \$ (0.54) 0.08 (1.04) 0.16	9710 Basic earnings (loss) per share	\$ (0.54)				0.08		.04)	0.16		
	9810 Diluted earnings per share	\$	(0	.54)		0.08	(1	.04)		0.16	

MEGAFORCE CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY For The Six Months Ended June 30, 2014 And 2013 (Expressed in Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

					Equit	y Attributab	le to Owners of Pare	nt					
				Retained E	Retained Earnings (Accumulated Deficit) Other Equity Interest								
	Commo	on Stock	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Total		Total Equity Attributable to Owners of Parent	Non- controlling Interests	Total Equity
Balance, January 1, 2013	\$1,3	362,141	1,199,552	27,556	(126,919)	(99,363)	188,904	(23,948)	164,956	(89,772)	2,537,514	12,681	2,550,195
Legal reserve used to offset accumulated deficits		-	-	(27,556)	27,556	-	-	-	-	-	-	-	-
Capital surplus used to offset accumulated deficits		-	(45,448)	-	45,448	45,448	-	-	-	-	-	-	-
Net income		-	-	-	20,188	20,188	-	-	-	-	20,188	1,209	21,397
Other comprehensive income		-	-	-	-	-	106,359	1,003	107,362	-	107,362	636	107,998
Total comprehensive income		-	-	-	20,188	20,188	106,359	1,003	107,362	-	127,550	1,845	129,395
Compensation cost arising from employee stock options		-	2,790	-	-	-	-	-	-	-	2,790	-	2,790
Retirement of treasury share	((71,770)	(18,002)	-	-	-	-	-	-	89,772	-	-	
Balance, June 30, 2013	\$ 1,2	290,371	1,138,892	-	(33,727)	(33,727)	295,263	(22,945)	272,318	-	2,667,854	14,526	2,682,380
Balance at January 1, 2014	\$ 1,2	291,914	1,141,793	-	(128,145)	(128,145)	317,298	(15,024)	302,274	-	2,607,836	15,071	2,622,907
Capital surplus used to offset accumulated deficits		-	(128,145)	-	128,145	128,145	-	-	-	-	-	-	-
Net loss		-	-	-	(134,446)	(134,446)	-	-	-	-	(134,446)	(8,006)	(142,452)
Other comprehensive income (loss)		-	-	-	-	-	(58,421)	3,310	(55,111)	-	(55,111)	(386)	(55,497)
Total comprehensive income (loss)		-	-	-	(134,446)	(134,446)	(58,421)	3,310	(55,111)	-	(189,557)	(8,392)	(197,949)
Exercise of employee stock options		8,335	167	-	-	-	-	-	-	-	8,502	-	8,502
Compensation cost arising from employee stock options		-	2,148	-	-	-	-	-	-	-	2,148	-	2,148
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	61,449	61,449
Balance at June 30, 2014	\$ 1,3	300,249	1,015,963	-	(134,446)	(134,446)	258,877	(11,714)	247,163	-	2,428,929	68,128	2,497,057

MEGAFORCE CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS For The Six Months Ended June 30, 2014 And 2013 (Expressed in Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	 2014	2013	
Cash flows from operating activities :			
Net income (loss) before tax	\$ (114,834)	54,918	
Adjustments :			
Adjustments to reconcile profit (loss)			
Depreciation expense	129,689	133,490	
Amortization expense	4,979	6,305	
Interest expense	9,225	12,735	
Interest income	(3,595)	(6,926)	
Share-based payments	2,148	2,790	
Net gain on financial assets or liabilities at fair value through profit or loss	(966)	(1,816)	
Loss(Gain) on disposal of property, plan and equipment	(2,055)	5,650	
Property, plan and equipment transferred to expenses	38	608	
Gain on disposal of non-current assets classified as held for sale	 (3,463)	-	
Totoal adjustments to reconcile profit	 136,000	152,836	
Changes in operating assets and liabilities :			
Changes in operating assets :			
Decrease in accounts receivable	243,027	36,152	
Increase in inventories	(5,896)	(61,275)	
Decrease in other financial assets- current	4,501	1,244	
Decrease in other current assets	 2,333	7,390	
Totoal changes in operating assets	 243,965	(16,489)	
Changes in operating liabilities :			
Decrease in notes and accounts payable	(40,458)	(36,504)	
Decrease in other payable	(40,765)	(39,640)	
Increase in other current liabilities	7,142	1,860	
Increase in accrued pension liabilities	 2,411	2,171	
Total changes in operating liabilities	 (71,670)	(72,113)	
Total changes in operating assets and liabilities	 172,295	(88,602)	
Total adjustments	 308,295	64,234	
Cash inflow generated from operations	193,461	119,152	
Income taxes paid	 (32,067)	(20,398)	
Net cash flows from operating activities Cash flows used in investing activities :	 161,394	98,754	
Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	-	(2,848)	
Acquisition of available-for-sale financial assets	(2,636)	_	
Proceeds from disposal of non-current assets classified as held for sale	16,018	_	
Acquisition of property, plant and equipment	(51,112)	(86,565)	
Proceeds from disposal of property, plant and equipment	26,813	12,120	
Acquisition of intangible assets	(4,855)	12,120	
Net cash flow from acquisition of subsidiaries	46,109	-	
Increase in other financial assets-current	(119,717)	(157,337)	
Decrease(Increase) in other financial assets-non-current	(6,019)	25,915	
Decrease(Increase) in other non-current assets	124	(8,772)	
Interest received	7,102	7,795	
Net cash flows used in investing activities	 (88,173)	(209,692)	
Cash flows from financing activities :	 (00,110)	(200;002)	
Increase(Decrease) in short-term loans	(15,171)	240,688	
Proceeds from long-term debt	60,000	,	
Repayments of long-term debt	(30,161)	(82,436)	
Incease(Decrease) in other non-current liabilities	6	(150)	
Exercise of employee stock options	8,502	-	
Interest paid	(13,102)	(10,423)	
Change in non-controlling interests	(6,010)	(6,000)	
Net cash flows from financing activities	 4,064	141,679	
Effect of exchange rate changes on cash and cash equivalents	 (12,268)	3,699	
Net increase in cash and cash equivalents	 65,017	34,440	
Cash and cash equivalents at beginning of period	 610,484	737,526	
Cash and cash equivalents at end of period	\$ 675,501	771,966	