

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of March 31, 2014, December 31, 2013 and March 31, 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	March 31,2014		December 31,2013		March 31,2013	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 1,278,809	70	1,092,513	61	760,246	53
Current financial assets at fair value through profit or loss	116,749	7	206,640	12	173,767	12
Notes receivable, net	1,528	-	60	-	3,524	-
Accounts receivable, net	110,974	6	192,990	11	186,900	13
Accounts receivable due from related parties, net	26,156	1	13,356	1	8,437	1
Other receivables	2,715	-	2,761	-	2,311	-
Inventories	97,595	5	88,859	5	140,837	10
Prepayments	17,706	1	24,463	1	12,268	1
Other current financial assets	1,083	-	1,083	-	1,070	-
Total current assets	1,653,315	90	1,622,725	91	1,289,360	90
Non-current assets :						
Non-current financial assets at fair value through profit or loss	20,769	1	234	-	20,270	1
Non-current held-to-maturity financial assets, net	100,000	6	100,000	6	50,000	4
Property, plant and equipment	5,392	-	5,720	-	7,306	1
Intangible assets	14,917	1	16,507	1	-	-
Deferred tax assets	13,900	1	14,216	1	28,120	2
Guarantee deposits paid	4,578	-	5,067	-	3,689	-
Non-current prepaid pension cost	535	-	385	-	574	-
Other non-current assets, others	25,283	1	19,713	1	25,685	2
Total non-current assets	185,374	10	161,842	9	135,644	10
Total Assets	\$ 1,838,689	100	1,784,567	100	1,425,004	100

	March 31,2014		December 31,2013		March 31,2013	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
Current liabilities :						
Current financial liabilities at fair value through profit or loss	\$ 40	-	766	-	-	-
Notes payable	2,539	-	64	-	64	-
Accounts payable	73,652	4	85,374	5	132,099	9
Other payables	157,880	9	170,640	10	95,247	7
Current tax liabilities	94,128	5	85,027	5	50,534	4
Current provisions for employee benefits	3,303	-	2,764	-	2,557	-
Other current liabilities	5,300	-	5,908	-	4,645	-
Total current liabilities	336,842	18	350,543	20	285,146	20
Non-current liabilities :						
Bonds payable	89,336	5	89,281	5	89,122	6
Total non-current liabilities	89,336	5	89,281	5	89,122	6
Total liabilities	426,178	23	439,824	25	374,268	26
Equity attributable to owners of parent :						
Ordinary share	523,340	28	523,340	29	482,341	34
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	175,079	10	175,079	10	216,078	15
Capital surplus, net assets from merger	39,842	2	39,842	2	39,842	3
Capital surplus, share options	514	-	514	-	514	-
	215,435	12	215,435	12	256,434	18
Retained earnings :						
Legal reserve	99,318	6	99,318	6	88,086	6
Special reserve	1,985	-	1,985	-	1,550	-
Unappropriated retained earnings (accumulated deficit)	502,997	27	434,287	24	223,982	16
	604,300	33	535,590	30	313,618	22
Other equity interest :						
Exchange differences on translation of foreign financial statements	(120)	-	(471)	-	(1,657)	-
Total equity attributable to owners of parent	1,342,955	73	1,273,894	71	1,050,736	74
Non-controlling interests	69,556	4	70,849	4	-	-
Total equity	1,412,511	77	1,344,743	75	1,050,736	74
Total liabilities and equity	\$ 1,838,689	100	1,784,567	100	1,425,004	100

eGalax_eMPIA Technology Inc. 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)
(Reviewed, Not Audited)

	2014		2013	
	Amount	%	Amount	%
Sales revenue	\$ 263,076	100	319,660	100
Less : Sales returns	33	-	4	-
Sales discounts and allowances	843	-	-	-
Operating revenue	<u>262,200</u>	<u>100</u>	<u>319,656</u>	<u>100</u>
Cost of sales	<u>96,241</u>	<u>37</u>	<u>124,415</u>	<u>39</u>
Gross profit (loss) from operations	<u>165,959</u>	<u>63</u>	<u>195,241</u>	<u>61</u>
Operating expenses				
Selling expenses	20,570	8	13,227	4
Administrative expenses	16,762	6	16,902	5
Research and development expenses	59,670	23	54,656	17
Total operating expenses	<u>97,002</u>	<u>37</u>	<u>84,785</u>	<u>26</u>
Net operating income (loss)	<u>68,957</u>	<u>26</u>	<u>110,456</u>	<u>35</u>
Non-operating income and expenses :				
Other income	4,124	2	6,314	2
Other gains and losses, net	4,058	1	4,565	1
Finance costs, net	(279)	-	(278)	-
Total non-operating income and expenses	<u>7,903</u>	<u>3</u>	<u>10,601</u>	<u>3</u>
Profit (loss) before tax	<u>76,860</u>	<u>29</u>	<u>121,057</u>	<u>38</u>
Less : Tax expense (income)	<u>9,632</u>	<u>3</u>	<u>15,172</u>	<u>5</u>
Profit (loss)	<u>67,228</u>	<u>26</u>	<u>105,885</u>	<u>33</u>
Other comprehensive income :				
Other comprehensive income, before tax, exchange differences on translation	540	-	328	-
Less : Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income, net	<u>540</u>	<u>-</u>	<u>328</u>	<u>-</u>
Comprehensive income	<u>\$ 67,768</u>	<u>26</u>	<u>106,213</u>	<u>33</u>
Profit (loss), attributable to :				
Profit (loss), attributable to owners of parent	\$ 68,710	26	105,885	33
Profit (loss), attributable to non-controlling interests	(1,482)	-	-	-
	<u>\$ 67,228</u>	<u>26</u>	<u>105,885</u>	<u>33</u>
Comprehensive income attributable to :				
Comprehensive income, attributable to owners of parent	\$ 69,061	26	106,213	33
Comprehensive income, attributable to non-controlling interests	(1,293)	-	-	-
	<u>\$ 67,768</u>	<u>26</u>	<u>106,213</u>	<u>33</u>
Earnings per share(NT Dollars) :				
Basic earnings per share	<u>\$</u>	<u>1.31</u>	<u>\$</u>	<u>2.02</u>
Diluted earnings per share	<u>\$</u>	<u>1.24</u>	<u>\$</u>	<u>1.98</u>

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the three months ended March 31, 2014 and 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity attributable to owners of parent						Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital		Retained earnings			Other equity interest			
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements			
Beginning balance, January 1, 2013	\$ 482,341	256,434	88,086	1,550	118,097	(1,985)	944,523	-	944,523
Profit for current period	-	-	-	-	105,885	-	105,885	-	105,885
Other comprehensive income for current period	-	-	-	-	-	328	328	-	328
Total comprehensive income	-	-	-	-	105,885	328	106,213	-	106,213
Ending Balance, March 31, 2013	\$ 482,341	256,434	88,086	1,550	223,982	(1,657)	1,050,736	-	1,050,736
Beginning balance, January 1, 2014	\$ 523,340	215,435	99,318	1,985	434,287	(471)	1,273,894	70,849	1,344,743
Profit for current period	-	-	-	-	68,710	-	68,710	(1,482)	67,228
Other comprehensive income for current period	-	-	-	-	-	351	351	189	540
Total comprehensive income	-	-	-	-	68,710	351	69,061	(1,293)	67,768
Ending Balance, March 31, 2014	523,340	215,435	99,318	1,985	502,997	(120)	1,342,955	69,556	1,412,511

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the three months ended March 31, 2014 and 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2014	2013
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 76,860	121,057
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	876	870
Amortization expense	6,622	5,582
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,094)	(978)
Interest expense	279	278
Interest income	(2,752)	(2,075)
Total adjustments to reconcile profit (loss)	3,931	3,677
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	69,724	(55,208)
Decrease (increase) in notes receivable	(1,468)	(995)
Decrease (increase) in accounts receivable	82,016	(76,818)
Decrease (increase) in accounts receivable due from related parties	(12,800)	(2,215)
Decrease (increase) in other receivable	223	(444)
Decrease (increase) in inventories	(8,736)	(39,088)
Decrease (increase) in prepayments	6,633	(6,217)
Total changes in operating assets	135,592	(180,985)
Changes in operating liabilities :		
Increase (decrease) in notes payable	2,475	-
Increase (decrease) in accounts payable	(11,722)	57,765
Increase (decrease) in other payable	(12,883)	19,540
Increase (decrease) in provisions	539	336
Increase (decrease) in other current liabilities	(608)	(3,253)
Total changes in operating liabilities	(22,199)	74,388
Total changes in operating assets and liabilities	113,393	(106,597)
Total adjustments	117,324	(102,920)
Cash inflow (outflow) generated from operations	194,184	18,137
Interest received	2,575	1,594
Income taxes refund (paid)	(241)	(4,378)
Net cash flows from operating activities	196,518	15,353
Cash flows from investing activities :		
Acquisition of property, plant and equipment	(546)	(39)
Decrease (Increase) in refundable deposits	489	1,028
Increase in other non-current assets	(10,506)	(6,721)
Net cash flows from investing activities	(10,563)	(5,732)
Effect of exchange rate changes on cash and cash equivalents	341	328
Net increase (decrease) in cash and cash equivalents	186,296	9,949
Cash and cash equivalents at beginning of period	1,092,513	750,297
Cash and cash equivalents at end of period	\$ 1,278,809	760,246