

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of June 30, 2014, December 31, 2013 and June 30, 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	June 30, 2014		December 31, 2013		June 30, 2013	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 1,236,351	66	1,092,513	61	828,529	54
Current financial assets at fair value through profit or loss	162,371	9	206,640	12	193,965	13
Notes receivable, net	64	-	60	-	1,108	-
Accounts receivable, net	106,345	6	192,990	11	259,800	17
Accounts receivable due from related parties, net	28,609	1	13,356	1	7,208	-
Other receivables	2,969	-	2,761	-	2,052	-
Inventories	133,006	7	88,859	5	134,252	9
Prepayments	16,119	1	24,463	1	9,514	-
Other current financial assets	1,083	-	1,083	-	1,070	-
Total current assets	1,686,917	90	1,622,725	91	1,437,498	93
Non-current assets :						
Non-current financial assets at fair value through profit or loss	35,355	2	234	-	354	-
Non-current held-to-maturity financial assets, net	100,000	5	100,000	6	50,000	3
Property, plant and equipment	4,658	-	5,720	-	6,602	-
Intangible assets	12,989	1	16,507	1	-	-
Deferred tax assets	13,485	1	14,216	1	28,372	2
Guarantee deposits paid	4,630	-	5,067	-	4,128	-
Non-current prepaid pension cost	649	-	385	-	689	-
Other non-current assets, others	18,887	1	19,713	1	19,545	2
Total non-current assets	190,653	10	161,842	9	109,690	7
Total Assets	\$ 1,877,570	100	1,784,567	100	1,547,188	100

	June 30, 2014		December 31, 2013		June 30, 2013	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
Current liabilities :						
Current financial liabilities at fair value through profit or loss	\$ -	-	766	-	-	-
Notes payable	2,297	-	64	-	64	-
Accounts payable	105,072	6	85,374	5	89,748	6
Dividends payable	366,338	20	-	-	103,703	7
Other payables	178,600	9	170,640	10	131,980	8
Current tax liabilities	19,671	1	85,027	5	55,248	4
Current provisions for employee benefits	3,293	-	2,764	-	2,694	-
Other current liabilities	5,779	-	5,908	-	6,873	-
Total current liabilities	681,050	36	350,543	20	390,310	25
Non-current liabilities :						
Non-current financial liabilities at fair value through profit or loss	135	-	-	-	-	-
Bonds payable	89,390	5	89,281	5	89,175	6
Total non-current liabilities	89,525	5	89,281	5	89,175	6
Total liabilities	770,575	41	439,824	25	479,485	31
Equity attributable to owners of parent :						
Ordinary share	523,340	28	523,340	29	482,341	31
Stock dividend to be distributed	10,467	-	-	-	40,999	3
	533,807	28	523,340	29	523,340	34
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	164,612	9	175,079	10	175,079	11
Capital surplus, net assets from merger	39,842	2	39,842	2	39,842	3
Capital surplus, share options	514	-	514	-	514	-
	204,968	11	215,435	12	215,435	14
Retained earnings :						
Legal reserve	142,898	8	99,318	6	99,318	6
Special reserve	471	-	1,985	-	1,985	-
Unappropriated retained earnings (accumulated deficit)	155,484	8	434,287	24	229,215	15
	298,853	16	535,590	30	330,518	21
Other equity interest :						
Exchange differences on translation of foreign financial statements	(557)	-	(471)	-	(1,590)	-
Total equity attributable to owners of parent	1,037,071	55	1,273,894	71	1,067,703	69
Non-controlling interests	69,924	4	70,849	4	-	-
Total equity	1,106,995	59	1,344,743	75	1,067,703	69
Total liabilities and equity	\$ 1,877,570	100	1,784,567	100	1,547,188	100

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended June 30, 2014 and 2013
For the six months ended June 30, 2014 and 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For The Three Months Ended June 30				For The Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 263,948	100	390,332	101	527,024	100	709,992	101
Less : Sales returns	-	-	3,877	1	33	-	3,881	1
Sales discounts and allowances	369	-	568	-	1,212	-	568	-
Operating revenue	263,579	100	385,887	100	525,779	100	705,543	100
Cost of sales	103,578	39	155,676	40	199,819	38	280,091	40
Gross profit (loss) from operations	160,001	61	230,211	60	325,960	62	425,452	60
Operating expenses								
Selling expenses	14,762	6	13,756	4	35,332	7	26,983	4
Administrative expenses	15,576	6	17,002	4	32,338	6	33,904	5
Research and development expenses	63,251	24	68,683	18	122,921	23	123,339	17
Total operating expenses	93,589	36	99,441	26	190,591	36	184,226	26
Net operating income (loss)	66,412	25	130,770	34	135,369	26	241,226	34
Non-operating income and expenses :								
Other income	6,150	2	5,422	1	10,274	2	11,736	2
Other gains and losses, net	(2,916)	(1)	2,747	1	1,142	-	7,312	1
Finance costs, net	(279)	-	(279)	-	(558)	-	(557)	-
Total non-operating income and expenses	2,955	1	7,890	2	10,858	2	18,491	3
Profit (loss) before tax	69,367	26	138,660	36	146,227	28	259,717	37
Less : Tax expense (income)	7,872	3	18,057	5	17,504	3	33,229	5
Profit (loss)	61,495	23	120,603	31	128,723	25	226,488	32
Other comprehensive income :								
Other comprehensive income, before tax, exchange differences on translation	(673)	-	67	-	(133)	-	395	-
Less : Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income, net	(673)	-	67	-	(133)	-	395	-
Comprehensive income	\$ 60,822	23	120,670	31	128,590	25	226,883	32
Profit (loss), attributable to :								
Profit (loss), attributable to owners of parent	\$ 60,891	23	120,603	31	129,601	25	226,488	32
Profit (loss), attributable to non-controlling interests	604	-	-	-	(878)	-	-	-
	\$ 61,495	23	120,603	31	128,723	25	226,488	32
Comprehensive income attributable to :								
Comprehensive income, attributable to owners of parent	\$ 60,454	23	120,670	31	129,515	25	226,883	32
Comprehensive income, attributable to non-controlling interests	368	-	-	-	(925)	-	-	-
	\$ 60,822	23	120,670	31	128,590	25	226,883	32
Earnings per share(NT Dollars) :								
Basic earnings per share	\$ 1.16		2.30		2.48		4.33	
Diluted earnings per share	\$ 1.11		2.24		2.34		4.20	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the six months ended June 30, 2014 and 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity attributable to owners of parent										
	Share capital		Retained earnings					Other equity interest		Non-controlling interests	Total equity
	Ordinary share	Stock dividend to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent			
Beginning balance, January 1, 2013	\$ 482,341	-	256,434	88,086	1,550	118,097	(1,985)	944,523	-		
Profit for current period	-	-	-	-	-	226,488	-	226,488	-	226,488	
Other comprehensive income for current period	-	-	-	-	-	-	395	395	-	395	
Total comprehensive income	-	-	-	-	-	226,488	395	226,883	-	226,883	
Appropriation and distribution of retained earnings :											
Legal reserve appropriated	-	-	-	11,232	-	(11,232)	-	-	-	-	
Special reserve appropriated	-	-	-	-	435	(435)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	(103,703)	-	(103,703)	-	(103,703)	
Stock dividends from capital surplus	-	40,999	(40,999)	-	-	-	-	-	-	-	
Ending Balance, June 30, 2013	<u>\$ 482,341</u>	<u>40,999</u>	<u>215,435</u>	<u>99,318</u>	<u>1,985</u>	<u>229,215</u>	<u>(1,590)</u>	<u>1,067,703</u>	<u>-</u>	<u>1,067,703</u>	
Beginning balance, January 1, 2014	\$ 523,340	-	215,435	99,318	1,985	434,287	(471)	1,273,894	70,849.00	1,344,743	
Profit for current period	-	-	-	-	-	129,601	-	129,601	(878)	128,723	
Other comprehensive income for current period	-	-	-	-	-	-	(86)	(86)	(47)	(133)	
Total comprehensive income	-	-	-	-	-	129,601	(86)	129,515	(925)	128,590	
Appropriation and distribution of retained earnings :											
Legal reserve appropriated	-	-	-	43,580	-	(43,580)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	(366,338)	-	(366,338)	-	(366,338)	
Reversal of special reserve	-	-	-	-	(1,514)	1,514	-	-	-	-	
Stock dividends from capital surplus	-	10,467	(10,467)	-	-	-	-	-	-	-	
Ending Balance, June 30, 2014	<u>\$ 523,340</u>	<u>10,467</u>	<u>204,968</u>	<u>142,898</u>	<u>471</u>	<u>155,484</u>	<u>(557)</u>	<u>1,037,071</u>	<u>69,924</u>	<u>1,106,995</u>	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended June 30, 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	\$ 146,227	\$ 259,717
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	1,697	1,742
Amortization expense	17,008	19,359
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(654)	(1,260)
Interest expense	558	557
Interest income	(5,721)	(4,433)
Total adjustments to reconcile profit (loss)	12,888	15,965
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	9,171	(55,208)
Decrease (increase) in notes receivable	(4)	1,421
Decrease (increase) in accounts receivable	86,645	(149,718)
Decrease (increase) in accounts receivable due from related parties	(15,253)	(986)
Decrease (increase) in other receivable	(312)	(730)
Decrease (increase) in inventories	(44,147)	(32,503)
Decrease (increase) in prepayments	8,080	(3,546)
Total changes in operating assets	44,180	(241,270)
Changes in operating liabilities :		
Increase (decrease) in notes payable	2,233	-
Increase (decrease) in accounts payable	19,698	15,414
Increase (decrease) in other payable	6,954	54,514
Increase (decrease) in provisions	529	473
Increase (decrease) in other current liabilities	(129)	(1,025)
Total changes in operating liabilities	29,285	69,376
Total changes in operating assets and liabilities	73,465	(171,894)
Total adjustments	86,353	(155,929)
Cash inflow (outflow) generated from operations	232,580	103,788
Interest received	5,825	4,497
Income taxes refund (paid)	(82,129)	(18,005)
Net cash flows from operating activities	156,276	90,280
Cash flows from investing activities :		
Acquisition of property, plant and equipment	(636)	(2,046)
Decrease in refundable deposits	437	589
Increase in other non-current assets	(12,055)	(10,987)
Net cash flows from investing activities	(12,254)	(12,444)
Effect of exchange rate changes on cash and cash equivalents	(184)	396
Net increase (decrease) in cash and cash equivalents	143,838	78,232
Cash and cash equivalents at beginning of period	1,092,513	750,297
Cash and cash equivalents at end of period	\$ 1,236,351	\$ 828,529