

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

	September 30,2014		December 31,2013		September 30,2013			September 30,2014		December 31,2013		September 30,2013	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and equity						
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 771,828	52	1,092,513	61	1,017,699	58	Current financial liabilities at fair value through profit or loss	\$ -	-	766	-	-	-
Current financial assets at fair value through profit or loss	185,942	12	206,640	12	234,273	14	Notes payable	2,056	-	64	-	64	-
Notes receivable, net	963	-	60	-	1,212	-	Accounts payable	97,928	7	85,374	5	120,856	7
Accounts receivable, net	104,494	7	192,990	11	269,397	15	Dividends payable	-	-	-	-	103,703	6
Accounts receivable due from related parties, net	26,706	2	13,356	1	8,451	-	Other payables	119,081	8	170,640	10	153,005	9
Other receivables	3,208	-	2,761	-	3,205	-	Current tax liabilities	1,829	-	85,027	5	77,421	4
Inventories	163,001	11	88,859	5	101,072	6	Current provisions for employee benefits	3,083	-	2,764	-	2,424	-
Prepayments	10,962	1	24,463	1	12,066	1	Other current liabilities	10,649	1	5,908	-	4,700	-
Other current financial assets	1,083	-	1,083	-	1,070	-	Total current liabilities	234,626	16	350,543	20	462,173	26
Total current assets	1,268,187	85	1,622,725	91	1,648,445	94	Non-current liabilities :						
Non-current assets :							Non-current financial liabilities at fair value through profit or loss	156	-	-	-	-	-
Non-current financial assets at fair value through profit or loss	70,177	5	234	-	41	-	Bonds payable	89,444	6	89,281	5	89,229	5
Non-current held-to-maturity financial assets, net	100,000	7	100,000	6	50,000	3	Total non-current liabilities	89,600	6	89,281	5	89,229	5
Property, plant and equipment	4,702	-	5,720	-	5,733	-	Total liabilities	324,226	22	439,824	25	551,402	31
Intangible assets	11,311	1	16,507	1	-	-	Equity attributable to owners of parent :						
Deferred tax assets	11,152	1	14,216	1	31,941	2	Ordinary share	533,807	36	523,340	29	523,340	30
Guarantee deposits paid	4,631	-	5,067	-	4,130	-	Capital surplus :						
Non-current prepaid pension cost	768	-	385	-	804	-	Capital surplus, additional paid-in capital arising from ordinary share	164,612	11	175,079	10	175,079	10
Other non-current assets, others	21,401	1	19,713	1	20,663	1	Capital surplus, net assets from merger	39,842	3	39,842	2	39,842	2
Total non-current assets	224,142	15	161,842	9	113,312	6	Capital surplus, share options	514	-	514	-	514	-
								204,968	14	215,435	12	215,435	12
							Retained earnings :						
							Legal reserve	142,898	10	99,318	6	99,318	6
							Special reserve	471	-	1,985	-	1,985	-
							Unappropriated retained earnings (accumulated deficit)	215,705	14	434,287	24	372,043	21
								359,074	24	535,590	30	473,346	27
							Other equity interest :						
							Exchange differences on translation of foreign financial statements	(132)	-	(471)	-	(1,766)	-
							Total equity attributable to owners of parent	1,097,717	74	1,273,894	71	1,210,355	69
							Non-controlling interests	70,386	4	70,849	4	-	-
							Total equity	1,168,103	78	1,344,743	75	1,210,355	69
Total Assets	\$ 1,492,329	100	1,784,567	100	1,761,757	100	Total liabilities and equity	\$ 1,492,329	100	1,784,567	100	1,761,757	100

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

	For The Three Months Ended September 30				For The Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 256,311	100	477,054	100	783,335	100	1,187,046	100
Less : Sales returns	-	-	826	-	33	-	4,707	-
Sales discounts and allowances	-	-	659	-	1,212	-	1,227	-
Operating revenue	<u>256,311</u>	<u>100</u>	<u>475,569</u>	<u>100</u>	<u>782,090</u>	<u>100</u>	<u>1,181,112</u>	<u>100</u>
Cost of sales	<u>107,986</u>	<u>42</u>	<u>218,835</u>	<u>46</u>	<u>307,805</u>	<u>39</u>	<u>498,926</u>	<u>42</u>
Gross profit (loss) from operations	<u>148,325</u>	<u>58</u>	<u>256,734</u>	<u>54</u>	<u>474,285</u>	<u>61</u>	<u>682,186</u>	<u>58</u>
Operating expenses								
Selling expenses	8,737	3	16,302	4	44,069	6	43,285	4
Administrative expenses	17,136	7	18,604	4	49,474	6	52,508	4
Research and development expenses	60,561	24	62,547	13	183,482	24	185,886	16
Total operating expenses	<u>86,434</u>	<u>34</u>	<u>97,453</u>	<u>21</u>	<u>277,025</u>	<u>36</u>	<u>281,679</u>	<u>24</u>
Net operating income (loss)	<u>61,891</u>	<u>24</u>	<u>159,281</u>	<u>33</u>	<u>197,260</u>	<u>25</u>	<u>400,507</u>	<u>34</u>
Non-operating income and expenses :								
Other income	4,745	2	6,490	1	15,019	2	18,226	2
Other gains and losses, net	3,257	1	(3,907)	-	4,399	1	3,405	-
Finance costs, net	(279)	-	(278)	-	(837)	-	(835)	-
Total non-operating income and expenses	<u>7,723</u>	<u>3</u>	<u>2,305</u>	<u>1</u>	<u>18,581</u>	<u>3</u>	<u>20,796</u>	<u>2</u>
Profit (loss) before tax	<u>69,614</u>	<u>27</u>	<u>161,586</u>	<u>34</u>	<u>215,841</u>	<u>28</u>	<u>421,303</u>	<u>36</u>
Less : Tax expense (income)	<u>9,161</u>	<u>3</u>	<u>18,758</u>	<u>4</u>	<u>26,665</u>	<u>4</u>	<u>51,987</u>	<u>5</u>
Profit (loss)	<u>60,453</u>	<u>24</u>	<u>142,828</u>	<u>30</u>	<u>189,176</u>	<u>24</u>	<u>369,316</u>	<u>31</u>
Other comprehensive income :								
Other comprehensive income, before tax, exchange differences on translation	655	-	(176)	-	522	-	219	-
Less : Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income, net	<u>655</u>	<u>-</u>	<u>(176)</u>	<u>-</u>	<u>522</u>	<u>-</u>	<u>219</u>	<u>-</u>
Comprehensive income	<u>\$ 61,108</u>	<u>24</u>	<u>142,652</u>	<u>30</u>	<u>189,698</u>	<u>24</u>	<u>369,535</u>	<u>31</u>
Profit (loss), attributable to :								
Profit (loss), attributable to owners of parent	\$ 60,221	24	142,828	30	189,822	24	369,316	31
Profit (loss), attributable to non-controlling interests	232	-	-	-	(646)	-	-	-
	<u>\$ 60,453</u>	<u>24</u>	<u>142,828</u>	<u>30</u>	<u>189,176</u>	<u>24</u>	<u>369,316</u>	<u>31</u>
Comprehensive income attributable to :								
Comprehensive income, attributable to owners of parent	\$ 60,646	24	142,652	30	190,161	24	369,535	31
Comprehensive income, attributable to non-controlling interests	462	-	-	-	(463)	-	-	-
	<u>\$ 61,108</u>	<u>24</u>	<u>142,652</u>	<u>30</u>	<u>189,698</u>	<u>24</u>	<u>369,535</u>	<u>31</u>
Earnings per share(NT Dollars) :								
Basic earnings per share	<u>\$ 1.13</u>		<u>2.68</u>		<u>3.56</u>		<u>6.92</u>	
Diluted earnings per share	<u>\$ 1.07</u>		<u>2.55</u>		<u>3.36</u>		<u>6.55</u>	

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

	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	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	-	944,523
Profit for current period	-	-	-	-	369,316	-	369,316	-	369,316
Other comprehensive income for current period	-	-	-	-	-	219	219	-	219
Total comprehensive income	-	-	-	-	369,316	219	369,535	-	369,535
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, September 30, 2013	\$ 523,340	215,435	99,318	1,985	372,043	(1,766)	1,210,355	-	1,210,355
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	-	-	-	-	189,822	-	189,822	(646)	189,176
Other comprehensive income for current period	-	-	-	-	-	339	339	183	522
Total comprehensive income	-	-	-	-	189,822	339	190,161	(463)	189,698
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, September 30, 2014	\$ 533,807	204,968	142,898	471	215,705	(132)	1,097,717	70,386	1,168,103

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the nine months ended September 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	\$ 215,841	\$ 421,303
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	2,541	2,610
Amortization expense	22,798	27,589
Provision for bad debt expense	6,855	843
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(976)	(1,048)
Interest expense	837	835
Interest income	(8,404)	(7,104)
Other income	(653)	-
Total adjustments to reconcile profit (loss)	<u>22,998</u>	<u>23,725</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	(48,879)	(95,414)
Decrease (increase) in notes receivable	(903)	1,317
Decrease (increase) in accounts receivable	81,629	(160,097)
Decrease (increase) in accounts receivable due from related parties	(13,350)	(2,229)
Decrease (increase) in other receivable	553	(1,688)
Decrease (increase) in inventories	(73,987)	677
Decrease (increase) in prepayments	13,138	(4,772)
Total changes in operating assets	<u>(41,799)</u>	<u>(262,206)</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	1,992	-
Increase (decrease) in accounts payable	12,554	46,522
Increase (decrease) in other payable	(54,101)	80,103
Increase (decrease) in provisions	319	203
Increase (decrease) in other current liabilities	4,741	(3,198)
Total changes in operating liabilities	<u>(34,495)</u>	<u>123,630</u>
Total changes in operating assets and liabilities	<u>(76,294)</u>	<u>(138,576)</u>
Total adjustments	<u>(53,296)</u>	<u>(114,851)</u>
Cash inflow (outflow) generated from operations	162,545	306,452
Interest received	8,143	6,912
Income taxes refund (paid)	(106,799)	(19,600)
Net cash flows from operating activities	<u>63,889</u>	<u>293,764</u>
Cash flows from investing activities :		
Acquisition of property, plant and equipment	(1,473)	(2,223)
Decrease in refundable deposits	436	587
Net cash inflows from business combination	746	-
Increase in other non-current assets	(18,312)	(24,947)
Net cash flows from investing activities	<u>(18,603)</u>	<u>(26,583)</u>
Cash flows from financing activities :		
Cash dividends paid	(366,338)	-
Net cash flows from financing activities	<u>(366,338)</u>	<u>-</u>
Effect of exchange rate changes on cash and cash equivalents	367	221
Net increase (decrease) in cash and cash equivalents	<u>(320,685)</u>	<u>267,402</u>
Cash and cash equivalents at beginning of period	1,092,513	750,297
Cash and cash equivalents at end of period	<u>\$ 771,828</u>	<u>\$ 1,017,699</u>