

eGalax_eMPIA Technology Inc.
BALANCE SHEET
As of December 31, 2014, and December 31, 2013
(In Thousands of New Taiwan Dollars)

	December 31,2014		December 31,2013			December 31,2014		December 31,2013	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and equity				
Current assets :					Current liabilities :				
Cash and cash equivalents	\$ 670,583	47	\$ 940,048	56	Current financial liabilities at fair value through profit or loss	\$ 330	-	\$ 766	-
Current financial assets at fair value through profit or loss	164,443	11	185,515	11	Notes payable	41	-	64	-
Notes receivable, net	1,135	-	60	-	Accounts payable	65,298	5	75,893	5
Accounts receivable, net	83,313	6	184,828	11	Other payables	121,878	8	146,870	9
Accounts receivable due from related parties, net	26,811	2	9,532	1	Current tax liabilities	7,289	1	81,774	5
Other receivables	1,034	-	2,589	-	Current provisions for employee benefits	3,096	-	2,764	-
Inventories	160,890	11	70,586	4	Bonds payable, current portion	89,498	6	-	-
Prepayments	2,325	-	14,932	1	Other current liabilities	4,605	-	3,214	-
Other current financial assets	1,096	-	1,083	-	Total current liabilities	292,035	20	311,345	19
Total current assets	1,111,630	77	1,409,173	84	Non-current liabilities :				
Non-current assets :					Bonds payable	-	-	89,281	5
Non-current financial assets at fair value through profit or loss	69,944	5	234	-	Deferred tax liabilities	578	-	-	-
Non-current held-to-maturity financial assets, net	100,000	7	100,000	6	Accrued pension liabilities	175	-	-	-
Investments accounted for using equity method	127,550	9	131,202	8	Total non-current liabilities	753	-	89,281	5
Property, plant and equipment	4,045	-	3,205	-	Total liabilities	292,788	20	400,626	24
Deferred tax assets	7,885	1	13,088	1	Equity :				
Guarantee deposits paid	3,131	-	3,568	-	Ordinary share	533,807	37	523,340	31
Non-current prepaid pension cost	-	-	385	-	Capital surplus :				
Other non-current assets, others	16,118	1	13,665	1	Capital surplus, additional paid-in capital arising from ordinary share	164,612	11	175,079	10
Total non-current assets	328,673	23	265,347	16	Capital surplus, net assets from merger	39,842	3	39,842	3
					Capital surplus, share options	514	-	514	-
						204,968	14	215,435	13
					Retained earnings :				
					Legal reserve	142,898	10	99,318	6
					Special reserve	471	-	1,985	-
					Unappropriated retained earnings (accumulated deficit)	264,570	19	434,287	26
						407,939	29	535,590	32
					Other equity interest :				
					Exchange differences on translation of foreign financial statements	801	-	(471)	-
					Total equity	1,147,515	80	1,273,894	76
Total Assets	\$ 1,440,303	100	\$ 1,674,520	100	Total liabilities and equity	\$ 1,440,303	100	\$ 1,674,520	100

eGalax_eMPIA Technology Inc.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years ended December 31, 2014 and 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Sales revenue	\$ 873,534	100	\$ 1,418,291	100
Less : Sales returns	2,486	-	4,935	-
Sales discounts and allowances	1,286	-	2,266	-
Operating revenue	<u>869,762</u>	<u>100</u>	<u>1,411,090</u>	<u>100</u>
Cost of sales	334,625	38	619,602	44
Gross profit (loss) from operations	<u>535,137</u>	<u>62</u>	<u>791,488</u>	<u>56</u>
Operating expenses				
Selling expenses	50,829	6	47,328	3
Administrative expenses	43,265	5	56,684	4
Research and development expenses	185,378	21	207,184	15
Total operating expenses	<u>279,472</u>	<u>32</u>	<u>311,196</u>	<u>22</u>
Net operating income (loss)	<u>255,665</u>	<u>30</u>	<u>480,292</u>	<u>34</u>
Non-operating income and expenses :				
Other income	15,502	2	22,103	2
Other gains and losses, net	7,637	1	4,962	-
Finance costs, net	(1,116)	-	(1,113)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>(4,924)</u>	<u>(1)</u>	<u>18,917</u>	<u>1</u>
Total non-operating income and expenses	<u>17,099</u>	<u>2</u>	<u>44,869</u>	<u>3</u>
Profit (loss) before tax	272,764	32	525,161	37
Less : Tax expense (income)	33,058	4	74,043	5
Profit (loss)	<u>239,706</u>	<u>28</u>	<u>451,118</u>	<u>32</u>
Other comprehensive income :				
Other comprehensive income, before tax, exchange differences on translation	1,272	-	332	-
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	<u>(1,019)</u>	<u>-</u>	<u>(498)</u>	<u>-</u>
Less : Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income, net	<u>253</u>	<u>-</u>	<u>(166)</u>	<u>-</u>
Comprehensive income	<u>239,959</u>	<u>28</u>	<u>450,952</u>	<u>32</u>
Earnings per share(NT Dollars) :				
Basic earnings per share	<u>\$ 4.49</u>		<u>\$ 8.45</u>	
Diluted earnings per share	<u>\$ 4.24</u>		<u>\$ 7.99</u>	

eGalax_eMPIA Technology Inc.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Years ended December 31, 2014 and 2013
(In Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Retained earnings			Other equity interest	Total equity
			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
Appropriation and distribution of retained earnings (Note 1) :							
Legal reserve appropriated	-	-	11,232	-	(11,232)	-	-
Special reserve appropriated	-	-	-	435	(435)	-	-
Cash dividends of ordinary share	-	-	-	-	(103,703)	-	(103,703)
Stock dividends from capital surplus	40,999	(40,999)	-	-	-	-	-
Profit for current period	-	-	-	-	451,118	-	451,118
Other comprehensive income for current period	-	-	-	-	(498)	332	(166)
Total comprehensive income	-	-	-	-	450,620	332	450,952
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(19,060)	1,182	(17,878)
Ending Balance, December 31, 2013	523,340	215,435	99,318	1,985	434,287	(471)	1,273,894
Appropriation and distribution of retained earnings (Note 2) :							
Legal reserve appropriated	-	-	43,580	-	(43,580)	-	-
Cash dividends of ordinary share	-	-	-	-	(366,338)	-	(366,338)
Reversal of special reserve	-	-	-	(1,514)	1,514	-	-
Stock dividends from capital surplus	10,467	(10,467)	-	-	-	-	-
Profit for current period	-	-	-	-	239,706	-	239,706
Other comprehensive income for current period	-	-	-	-	(1,019)	1,272	253
Total comprehensive income	-	-	-	-	238,687	1,272	239,959
Ending Balance, December 31, 2014	\$ 533,807	204,968	142,898	471	264,570	801	1,147,515

Note 1 : Bonus to directors and supervisors of NT\$3,018 thousand and bonus to employees in cash of NT\$15,789 thousand have been deducted from Statements of comprehensive income of 2012.

Note 2 : Bonus to directors and supervisors of NT\$11,750 thousand and bonus to employees in cash of NT\$62,674 thousand have been deducted from Statements of comprehensive income of 2013.

eGalax_eMPIA Technology Inc.
STATEMENT OF CASH FLOW
For the Years ended December 31, 2014 and 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 272,764	\$ 525,161
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	1,698	1,607
Amortization expense	17,261	28,255
Provision (reversal of provision) for bad debt expense	11,565	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(697)	262
Interest expense	1,116	1,113
Interest income	(9,426)	(8,441)
Share of loss (profit) of associates and joint ventures accounted for using equity method	4,924	(18,917)
Loss (gain) on disposal of investments	(9)	-
Total adjustments to reconcile profit (loss)	<u>26,432</u>	<u>3,879</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	(48,368)	(54,394)
Decrease (increase) in notes receivable	(1,075)	2,469
Decrease (increase) in accounts receivable	89,939	(80,942)
Decrease (increase) in accounts receivable due from related parties	(17,279)	(3,713)
Decrease (increase) in other receivable	1,381	(697)
Decrease (increase) in inventories	(90,304)	25,880
Decrease (increase) in prepayments	11,973	(12,025)
Decrease (increase) in other financial assets	(13)	(13)
Total changes in operating assets	<u>(53,746)</u>	<u>(123,435)</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	(23)	-
Increase (decrease) in accounts payable	(10,595)	5,138
Increase (decrease) in other payable	(29,664)	90,305
Increase (decrease) in provisions	332	543
Increase (decrease) in other current liabilities	1,391	753
Increase (decrease) in accrued pension liabilities	175	-
Total changes in operating liabilities	<u>(38,384)</u>	<u>96,739</u>
Total changes in operating assets and liabilities	<u>(92,130)</u>	<u>(26,696)</u>
Total adjustments	<u>(65,698)</u>	<u>(22,817)</u>
Cash inflow (outflow) generated from operations	207,066	502,344
Interest received	9,618	8,145
Interest paid	(900)	(900)
Income taxes refund (paid)	(101,762)	(15,451)
Net cash flows from operating activities	<u>114,022</u>	<u>494,138</u>
Cash flows from investing activities :		
Acquisition of held-to-maturity financial assets	-	(50,000)
Acquisition of property, plant and equipment	(993)	(2,183)
Decrease (Increase) in refundable deposits	437	539
Increase in other non-current assets	(16,593)	(23,036)
Dividends received	-	2,000
Net cash flows from investing activities	<u>(17,149)</u>	<u>(72,680)</u>
Cash flows from financing activities :		
Cash dividends paid	(366,338)	(103,703)
Net cash flows from financing activities	<u>(366,338)</u>	<u>(103,703)</u>
Net increase (decrease) in cash and cash equivalents	(269,465)	317,755
Cash and cash equivalents at beginning of period	940,048	622,293
Cash and cash equivalents at end of period	<u>670,583</u>	<u>940,048</u>