

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of September 30, 2016, December 31, 2015 and September 30, 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	September 30, 2016		December 31, 2015		September 30, 2015	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 677,937	46	812,644	53	742,704	51
Current financial assets at fair value through profit or loss	182,162	13	254,179	17	195,041	13
Current held-to-maturity financial assets, net	50,000	4	100,000	7	50,000	3
Notes receivable, net	4,093	-	1,648	-	400	-
Accounts receivable, net	140,045	10	111,709	7	87,870	6
Accounts receivable due from related parties, net	31,067	2	19,642	1	16,957	1
Other receivables	1,567	-	1,779	-	2,120	-
Inventories	304,619	21	141,921	9	169,713	12
Prepayments	19,638	1	11,894	1	10,726	1
Other current financial assets	1,109	-	1,109	-	1,096	-
Total current assets	1,412,237	97	1,456,525	95	1,276,627	87
Non-current assets :						
Non-current financial assets at fair value through profit or loss	10,021	1	40,032	3	98,842	7
Non-current held-to-maturity financial assets, net	-	-	-	-	50,000	3
Non-current financial assets at cost, net	2,400	-	-	-	-	-
Property, plant and equipment	4,886	-	4,922	-	4,066	-
Intangible assets	5	-	5	-	5	-
Deferred tax assets	19,270	1	9,351	1	10,668	1
Guarantee deposits paid	4,886	-	5,283	-	5,127	1
Net defined benefit assets	-	-	-	-	189	-
Other non-current assets, others	8,597	1	10,989	1	16,471	1
Total non-current assets	50,065	3	70,582	5	185,368	13
Total Assets	\$ 1,462,302	100	1,527,107	100	1,461,995	100

Liabilities and equity

Current liabilities :

Current financial liabilities at fair value through profit or loss	\$ -	-	373	-	376	-
Notes payable	81	-	418	-	1,088	-
Accounts payable	172,921	12	65,977	5	81,808	6
Other payables	105,861	7	137,026	9	112,272	8
Current tax liabilities	10,936	1	16,656	1	10,350	1
Current provisions for employee benefits	3,614	-	3,630	-	3,239	-
Bonds payable, current portion	-	-	89,717	6	89,662	6
Other current liabilities	12,368	1	4,104	-	6,417	-

Total current liabilities

Non-current liabilities :

Deferred tax liabilities	-	-	583	-	555	-
Net defined benefit liabilities	1,382	-	1,735	-	-	-

Total non-current liabilities

Total liabilities

Equity attributable to owners of parent :

Ordinary share	571,814	39	549,821	36	549,821	38
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	126,605	9	148,598	10	148,598	10
Capital surplus, net assets from merger	39,842	3	39,842	3	39,842	3
Capital surplus, share options	-	-	514	-	514	-
Capital surplus, others	514	-	-	-	-	-
Retained earnings :						
Legal reserve	189,429	13	166,869	11	166,869	11
Special reserve	-	-	-	-	-	-
Unappropriated retained earnings (accumulated deficit)	161,735	11	235,136	15	183,932	13

Total equity attributable to owners of parent

Total equity

Total liabilities and equity

	September 30, 2016		December 31, 2015		September 30, 2015	
	Amount	%	Amount	%	Amount	%
Current liabilities :						
Current financial liabilities at fair value through profit or loss	\$ -	-	373	-	376	-
Notes payable	81	-	418	-	1,088	-
Accounts payable	172,921	12	65,977	5	81,808	6
Other payables	105,861	7	137,026	9	112,272	8
Current tax liabilities	10,936	1	16,656	1	10,350	1
Current provisions for employee benefits	3,614	-	3,630	-	3,239	-
Bonds payable, current portion	-	-	89,717	6	89,662	6
Other current liabilities	12,368	1	4,104	-	6,417	-
Total current liabilities	305,781	21	317,901	21	305,212	21
Non-current liabilities :						
Deferred tax liabilities	-	-	583	-	555	-
Net defined benefit liabilities	1,382	-	1,735	-	-	-
Total non-current liabilities	1,382	-	2,318	-	555	-
Total liabilities	307,163	21	320,219	21	305,767	21
Equity attributable to owners of parent :						
Ordinary share	571,814	39	549,821	36	549,821	38
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	126,605	9	148,598	10	148,598	10
Capital surplus, net assets from merger	39,842	3	39,842	3	39,842	3
Capital surplus, share options	-	-	514	-	514	-
Capital surplus, others	514	-	-	-	-	-
Retained earnings :						
Legal reserve	189,429	13	166,869	11	166,869	11
Special reserve	-	-	-	-	-	-
Unappropriated retained earnings (accumulated deficit)	161,735	11	235,136	15	183,932	13
Total equity attributable to owners of parent	351,164	24	402,005	26	350,801	24
Total equity	1,090,536	75	1,142,114	75	1,090,976	75
Total liabilities and equity	\$ 1,462,302	100	1,527,107	100	1,461,995	100

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended September 30, 2016 and 2015
For the nine months ended September 30, 2016 and 2015
(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			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 330,469	101	213,157	103	927,664	101	742,157	101
Less : Sales returns	3,345	1	5,845	3	3,600	-	7,664	1
Sales discounts and allowances	785	-	217	-	4,897	1	276	-
Operating revenue	<u>326,339</u>	<u>100</u>	<u>207,095</u>	<u>100</u>	<u>919,167</u>	<u>100</u>	<u>734,217</u>	<u>100</u>
Cost of sales	<u>183,693</u>	<u>56</u>	<u>87,414</u>	<u>42</u>	<u>488,101</u>	<u>53</u>	<u>308,467</u>	<u>42</u>
Gross profit (loss) from operations	<u>142,646</u>	<u>44</u>	<u>119,681</u>	<u>58</u>	<u>431,066</u>	<u>47</u>	<u>425,750</u>	<u>58</u>
Operating expenses								
Selling expenses	12,574	4	11,117	5	41,508	5	34,397	5
Administrative expenses	12,905	4	13,876	7	39,592	4	46,364	6
Research and development expenses	58,979	18	52,116	25	176,379	19	169,212	23
Total operating expenses	<u>84,458</u>	<u>26</u>	<u>77,109</u>	<u>37</u>	<u>257,479</u>	<u>28</u>	<u>249,973</u>	<u>34</u>
Net operating income (loss)	<u>58,188</u>	<u>18</u>	<u>42,572</u>	<u>21</u>	<u>173,587</u>	<u>19</u>	<u>175,777</u>	<u>24</u>
Non-operating income and expenses :								
Other income	2,074	-	3,574	2	6,998	-	10,057	1
Other gains and losses, net	(9,437)	(3)	9,468	4	(13,249)	(1)	7,361	1
Finance costs, net	-	-	(280)	-	(154)	-	(839)	-
Total non-operating income and expenses	<u>(7,363)</u>	<u>(3)</u>	<u>12,762</u>	<u>6</u>	<u>(6,405)</u>	<u>(1)</u>	<u>16,579</u>	<u>2</u>
Profit (loss) before tax	<u>50,825</u>	<u>15</u>	<u>55,334</u>	<u>27</u>	<u>167,182</u>	<u>18</u>	<u>192,356</u>	<u>26</u>
Less : Tax expense (income)	3,658	1	6,792	4	14,362	1	23,906	3
Profit (loss)	<u>47,167</u>	<u>14</u>	<u>48,542</u>	<u>23</u>	<u>152,820</u>	<u>17</u>	<u>168,450</u>	<u>23</u>
Other comprehensive income :								
Items that may be reclassified subsequently to profit or loss :								
Exchange differences on translation of foreign operations	(702)	-	1,761	1	(1,135)	-	923	-
Income tax related to items that may be reclassified subsequently	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss	<u>(702)</u>	<u>-</u>	<u>1,761</u>	<u>1</u>	<u>(1,135)</u>	<u>-</u>	<u>923</u>	<u>-</u>
Other comprehensive income, net	<u>(702)</u>	<u>-</u>	<u>1,761</u>	<u>1</u>	<u>(1,135)</u>	<u>-</u>	<u>923</u>	<u>-</u>
Comprehensive income	<u>\$ 46,465</u>	<u>14</u>	<u>50,303</u>	<u>24</u>	<u>151,685</u>	<u>17</u>	<u>169,373</u>	<u>23</u>
Profit (loss), attributable to :								
Profit (loss), attributable to owners of parent	\$ 47,204	14	48,182	23	152,593	17	172,399	24
Profit (loss), attributable to non-controlling interests	(37)	-	360	-	227	-	(3,949)	(1)
	<u>\$ 47,167</u>	<u>14</u>	<u>48,542</u>	<u>23</u>	<u>152,820</u>	<u>17</u>	<u>168,450</u>	<u>23</u>
Comprehensive income attributable to :								
Comprehensive income, attributable to owners of parent	\$ 46,749	14	49,325	24	151,856	17	172,998	24
Comprehensive income, attributable to non-controlling interests	(284)	-	978	-	(171)	-	(3,625)	(1)
	<u>\$ 46,465</u>	<u>14</u>	<u>50,303</u>	<u>24</u>	<u>151,685</u>	<u>17</u>	<u>169,373</u>	<u>23</u>
Earnings per share(NT Dollars) :								
Basic earnings per share	<u>\$ 0.83</u>		<u>0.84</u>		<u>2.67</u>		<u>3.01</u>	
Diluted earnings per share	<u>\$ 0.82</u>		<u>0.80</u>		<u>2.62</u>		<u>2.84</u>	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the nine months ended September 30, 2016 and 2015
(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 operations	Total equity attributable to owners of parent		
Beginning balance, January 1, 2015	\$ 533,807	204,968	142,898	471	264,570	801	1,147,515	68,877	1,216,392
Profit for current period	-	-	-	-	172,399	-	172,399	(3,949)	168,450
Other comprehensive income for current period	-	-	-	-	-	599	599	324	923
Total comprehensive income	-	-	-	-	172,399	599	172,998	(3,625)	169,373
Appropriation and distribution of retained earnings :									
Legal reserve appropriated	-	-	23,971	-	(23,971)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(229,537)	-	(229,537)	-	(229,537)
Reversal of special reserve	-	-	-	(471)	471	-	-	-	-
Stock dividends from capital surplus	16,014	(16,014)	-	-	-	-	-	-	-
Ending Balance, September 30, 2015	\$ 549,821	188,954	166,869	-	183,932	1,400	1,090,976	65,252	1,156,228
Beginning balance, January 1, 2016	\$ 549,821	188,954	166,869	-	235,136	1,334	1,142,114	64,774	1,206,888
Profit for current period	-	-	-	-	152,593	-	152,593	227	152,820
Other comprehensive income for current period	-	-	-	-	-	(737)	(737)	(398)	(1,135)
Total comprehensive income	-	-	-	-	152,593	(737)	151,856	(171)	151,685
Appropriation and distribution of retained earnings :									
Legal reserve appropriated	-	-	22,560	-	(22,560)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(203,434)	-	(203,434)	-	(203,434)
Stock dividends from capital surplus	21,993	(21,993)	-	-	-	-	-	-	-
Ending Balance, September 30, 2016	\$ 571,814	166,961	189,429	-	161,735	597	1,090,536	64,603	1,155,139

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the nine months ended September 30, 2016 and 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2016	2015
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 167,182	\$ 192,356
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	2,168	2,047
Amortization expense	15,140	20,354
Provision (reversal of provision) for bad debt expense	(26)	(97)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(533)	(588)
Interest expense	154	839
Interest income	(5,440)	(6,795)
Loss (gain) on disposal of investments	-	(50)
Loss (gain) on bond redemption	(113)	-
Total adjustments to reconcile profit (loss)	<u>11,350</u>	<u>15,710</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	102,561	(8,648)
Decrease (increase) in notes receivable	(2,445)	735
Decrease (increase) in accounts receivable	(28,319)	2,142
Decrease (increase) in accounts receivable due from related parties	(11,425)	11,334
Decrease (increase) in other receivable	223	805
Decrease (increase) in inventories	(162,698)	11,594
Decrease (increase) in prepayments	(7,744)	(1,737)
Decrease (increase) in other operating assets	-	(189)
Total changes in operating assets	<u>(109,847)</u>	<u>16,036</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	(337)	1,047
Increase (decrease) in accounts payable	106,944	9,362
Increase (decrease) in other payable	(33,702)	(25,194)
Increase (decrease) in provisions	(16)	143
Increase (decrease) in other current liabilities	8,264	(1,318)
Increase (decrease) in net defined benefit liabilities	(353)	(175)
Total changes in operating liabilities	<u>80,800</u>	<u>(16,135)</u>
Total changes in operating assets and liabilities	<u>(29,047)</u>	<u>(99)</u>
Total adjustments	<u>(17,697)</u>	<u>15,611</u>
Cash inflow (outflow) generated from operations	149,485	207,967
Interest received	5,438	6,587
Income taxes refund (paid)	(30,584)	(21,807)
Net cash flows from operating activities	<u>124,339</u>	<u>192,747</u>
Cash flows from investing activities :		
Proceeds from repayments of held-to-maturity financial assets	50,000	-
Acquisition of financial assets at cost	(2,400)	-
Acquisition of property, plant and equipment	(2,176)	(2,096)
Decrease (Increase) in refundable deposits	397	(494)
Increase in other non-current assets	(10,191)	(14,028)
Net cash flows from investing activities	<u>35,630</u>	<u>(16,618)</u>
Cash flows from financing activities		
Repayments of bonds	(90,131)	-
Cash dividends paid	(203,434)	(229,537)
Net cash flows from financing activities	<u>(293,565)</u>	<u>(229,537)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,111)</u>	<u>1,030</u>
Net increase (decrease) in cash and cash equivalents	<u>(134,707)</u>	<u>(52,378)</u>
Cash and cash equivalents at beginning of period	<u>812,644</u>	<u>795,082</u>
Cash and cash equivalents at end of period	<u>\$ 677,937</u>	<u>\$ 742,704</u>