

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**As of December 31, 2016, and December 31, 2015**  
**(In Thousands of New Taiwan Dollars)**

	December 31,2016		December 31,2015			December 31,2016		December 31,2015	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and equity</b>				
<b>Current assets :</b>					<b>Current liabilities :</b>				
Cash and cash equivalents	\$ 796,854	52	812,644	53	Current financial liabilities at fair value through profit or loss	\$ -	-	373	-
Current financial assets at fair value through profit or loss	149,454	10	254,179	17	Notes payable	-	-	418	-
Current held-to-maturity financial assets, net	-	-	100,000	7	Accounts payable	153,129	10	65,977	5
Notes receivable, net	992	-	1,648	-	Other payables	125,994	9	137,026	9
Accounts receivable, net	117,514	8	111,709	7	Current tax liabilities	15,323	1	16,656	1
Accounts receivable due from related parties, net	26,378	2	19,642	1	Current provisions for employee benefits	3,996	-	3,630	-
Other receivables	696	-	1,779	-	Bonds payable, current portion	-	-	89,717	6
Inventories	313,773	21	141,921	9	Other current liabilities	8,964	1	4,104	-
Prepayments	15,226	1	11,894	1	<b>Total current liabilities</b>	<b>307,406</b>	<b>21</b>	<b>317,901</b>	<b>21</b>
Other current financial assets	1,122	-	1,109	-	<b>Non-current liabilities :</b>				
<b>Total current assets</b>	<b>1,422,009</b>	<b>94</b>	<b>1,456,525</b>	<b>95</b>	Deferred tax liabilities	458	-	583	-
<b>Non-current assets :</b>					Net defined benefit liabilities	3,409	-	1,735	-
Non-current financial assets at fair value through profit or loss	-	-	40,032	3	<b>Total non-current liabilities</b>	<b>3,867</b>	<b>-</b>	<b>2,318</b>	<b>-</b>
Non-current held-to-maturity financial assets, net	50,000	4	-	-	<b>Total liabilities</b>	<b>311,273</b>	<b>21</b>	<b>320,219</b>	<b>21</b>
Non-current financial assets at cost, net	2,400	-	-	-	<b>Equity attributable to owners of parent :</b>				
Property, plant and equipment	4,741	-	4,922	-	Ordinary share	571,814	38	549,821	36
Intangible assets	5	-	5	-	Capital surplus :				
Deferred tax assets	18,209	1	9,351	1	Capital surplus, additional paid-in capital arising from ordinary share	126,605	8	148,598	10
Guarantee deposits paid	4,796	-	5,283	-	Capital surplus, net assets from merger	39,842	3	39,842	3
Other non-current assets, others	7,990	1	10,989	1	Capital surplus, share options	-	-	514	-
<b>Total non-current assets</b>	<b>88,141</b>	<b>6</b>	<b>70,582</b>	<b>5</b>	Capital surplus, others	514	-	-	-
						<b>166,961</b>	<b>11</b>	<b>188,954</b>	<b>13</b>
					Retained earnings :				
					Legal reserve	189,429	13	166,869	11
					Unappropriated retained earnings (accumulated deficit)	204,689	13	235,136	15
						<b>394,118</b>	<b>26</b>	<b>402,005</b>	<b>26</b>
					Other equity interest :				
					Exchange differences on translation of foreign operations	1,001	-	1,334	-
					<b>Total equity attributable to owners of parent</b>	<b>1,133,894</b>	<b>75</b>	<b>1,142,114</b>	<b>75</b>
					Non-controlling interests	64,983	4	64,774	4
					<b>Total equity</b>	<b>1,198,877</b>	<b>79</b>	<b>1,206,888</b>	<b>79</b>
<b>Total Assets</b>	<b>\$ 1,510,150</b>	<b>100</b>	<b>1,527,107</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 1,510,150</b>	<b>100</b>	<b>1,527,107</b>	<b>100</b>

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Years ended December 31, 2016 and 2015**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2016</b>		<b>2015</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Sales revenue</b>	\$ 1,243,617	100	1,010,225	101
Less : Sales returns	3,792	-	7,877	1
Sales discounts and allowances	5,100	-	798	-
<b>Operating revenue</b>	<u>1,234,725</u>	<u>100</u>	<u>1,001,550</u>	<u>100</u>
<b>Cost of sales</b>	<u>669,339</u>	<u>54</u>	<u>434,583</u>	<u>43</u>
<b>Gross profit (loss) from operations</b>	<u>565,386</u>	<u>46</u>	<u>566,967</u>	<u>57</u>
<b>Operating expenses</b>				
Selling expenses	56,576	5	48,598	5
Administrative expenses	52,201	4	59,184	6
Research and development expenses	242,190	20	226,629	23
<b>Total operating expenses</b>	<u>350,967</u>	<u>29</u>	<u>334,411</u>	<u>34</u>
<b>Net operating income (loss)</b>	<u>214,419</u>	<u>17</u>	<u>232,556</u>	<u>23</u>
<b>Non-operating income and expenses :</b>				
Other income	8,921	1	12,661	1
Other gains and losses, net	(4,784)	-	8,838	1
Finance costs, net	(154)	-	(1,119)	-
<b>Total non-operating income and expenses</b>	<u>3,983</u>	<u>1</u>	<u>20,380</u>	<u>2</u>
<b>Profit (loss) before tax</b>	<u>218,402</u>	<u>18</u>	<u>252,936</u>	<u>25</u>
<b>Less : Tax expense (income)</b>	<u>20,371</u>	<u>2</u>	<u>31,725</u>	<u>3</u>
<b>Profit (loss)</b>	<u>198,031</u>	<u>16</u>	<u>221,211</u>	<u>22</u>
<b>Other comprehensive income (loss) :</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurement of defined benefit obligation	(2,096)	-	(1,998)	-
Income tax related to items that will not be reclassified subsequently	-	-	-	-
	<u>(2,096)</u>	<u>-</u>	<u>(1,998)</u>	<u>-</u>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	(512)	-	820	-
Income tax related to items that may be reclassified subsequently	-	-	-	-
	<u>(512)</u>	<u>-</u>	<u>820</u>	<u>-</u>
<b>Other comprehensive income, net</b>	<u>(2,608)</u>	<u>-</u>	<u>(1,178)</u>	<u>-</u>
<b>Comprehensive income</b>	<u>\$ 195,423</u>	<u>16</u>	<u>220,033</u>	<u>22</u>
<b>Profit (loss), attributable to :</b>				
Profit (loss), attributable to owners of parent	\$ 197,643	16	225,601	22
Profit (loss), attributable to non-controlling interests	388	-	(4,390)	-
	<u>\$ 198,031</u>	<u>16</u>	<u>221,211</u>	<u>22</u>
<b>Comprehensive income attributable to :</b>				
Comprehensive income, attributable to owners of parent	\$ 195,214	16	224,136	22
Comprehensive income, attributable to non-controlling interests	209	-	(4,103)	-
	<u>\$ 195,423</u>	<u>16</u>	<u>220,033</u>	<u>22</u>
<b>Earnings per share(NT Dollars) :</b>				
<b>Basic earnings per share</b>	<u>\$ 3.46</u>		<u>3.95</u>	
<b>Diluted earnings per share</b>	<u>\$ 3.40</u>		<u>3.72</u>	

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
**For the Years ended December 31, 2016 and 2015**  
**(In Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations				
Beginning balance, January 1, 2015	\$ 533,807	204,968	142,898	471	264,570	801	1,147,515	68,877	1,216,392	
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)	-	-	-	-	-	-	-	
Profit for current period	-	-	-	-	225,601	-	225,601	(4,390)	221,211	
Other comprehensive income for current period	-	-	-	-	(1,998)	533	(1,465)	287	(1,178)	
Total comprehensive income	-	-	-	-	223,603	533	224,136	(4,103)	220,033	
Ending Balance, December 31, 2015	549,821	188,954	166,869	-	235,136	1,334	1,142,114	64,774	1,206,888	
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)	-	-	-	-	-	-	-	
Profit for current period	-	-	-	-	197,643	-	197,643	388	198,031	
Other comprehensive income for current period	-	-	-	-	(2,096)	(333)	(2,429)	(179)	(2,608)	
Total comprehensive income	-	-	-	-	195,547	(333)	195,214	209	195,423	
Ending Balance, December 31, 2016	\$ 571,814	166,961	189,429	-	204,689	1,001	1,133,894	64,983	1,198,877	

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the Years ended December 31, 2016 and 2015**  
**(In Thousands of New Taiwan Dollars)**

	2016	2015
<b>Cash flows from operating activities, indirect method :</b>		
<b>Profit (loss) before tax</b>	\$ 218,402	252,936
<b>Adjustments :</b>		
Adjustments to reconcile profit (loss) :		
Depreciation expense	2,865	2,735
Amortization expense	18,513	26,539
Provision (reversal of provision) for bad debt expense	(26)	(90)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(474)	(919)
Interest expense	154	1,119
Interest income	(6,661)	(8,856)
Loss (gain) on disposal of investments	-	(50)
Loss (gain) on bond redemption	(113)	-
Total adjustments to reconcile profit (loss)	<u>14,258</u>	<u>20,478</u>
<b>Changes in operating assets and liabilities :</b>		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	145,231	(8,648)
Decrease (increase) in notes receivable	656	(513)
Decrease (increase) in accounts receivable	(5,788)	(21,696)
Decrease (increase) in accounts receivable due from related parties	(6,736)	8,649
Decrease (increase) in other receivable	585	952
Decrease (increase) in inventories	(171,852)	39,386
Decrease (increase) in prepayments	(3,332)	(2,905)
Decrease (increase) in other financial assets	(13)	(13)
Total changes in operating assets	<u>(41,249)</u>	<u>15,212</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	(418)	377
Increase (decrease) in accounts payable	87,152	(6,469)
Increase (decrease) in other payable	(11,954)	553
Increase (decrease) in provisions	366	534
Increase (decrease) in other current liabilities	4,860	(3,631)
Increase (decrease) in net defined benefit liabilities	(422)	(438)
Total changes in operating liabilities	<u>79,584</u>	<u>(9,074)</u>
Total changes in operating assets and liabilities	<u>38,335</u>	<u>6,138</u>
Total adjustments	<u>52,593</u>	<u>26,616</u>
Cash inflow (outflow) generated from operations	270,995	279,552
Interest received	7,168	8,834
Interest paid	-	(900)
Income taxes refund (paid)	(30,687)	(21,975)
<b>Net cash flows from operating activities</b>	<u>247,476</u>	<u>265,511</u>
<b>Cash flows from investing activities :</b>		
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	(2,988)	(2,838)
Decrease (Increase) in refundable deposits	487	(650)
Increase in other non-current assets	(14,316)	(15,771)
<b>Net cash flows from investing activities</b>	<u>30,783</u>	<u>(19,259)</u>
<b>Cash flows from financing activities :</b>		
Repayments of bonds	(90,131)	-
Cash dividends paid	(203,434)	(229,537)
<b>Net cash flows from financing activities</b>	<u>(293,565)</u>	<u>(229,537)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(484)</u>	<u>847</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(15,790)</u>	<u>17,562</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>812,644</u>	<u>795,082</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 796,854</u>	<u>\$ 812,644</u>