

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
As of March 31, 2017, December 31, 2016 and March 31, 2016  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	March 31,2017		December 31,2016		March 31,2016	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets :</b>						
Cash and cash equivalents	\$ 762,901	51	796,854	52	784,484	51
Current financial assets at fair value through profit or loss	149,571	10	149,454	10	274,437	18
Current held-to-maturity financial assets, net	-	-	-	-	100,000	6
Notes receivable, net	4,474	-	992	-	2,056	-
Accounts receivable, net	98,634	7	117,514	8	117,914	8
Accounts receivable due from related parties, net	21,071	1	26,378	2	19,180	1
Other receivables	1,447	-	696	-	2,162	-
Inventories	352,940	24	313,773	21	172,486	11
Prepayments	21,963	1	15,226	1	13,485	1
Other current financial assets	1,122	-	1,122	-	1,109	-
<b>Total current assets</b>	<b>1,414,123</b>	<b>94</b>	<b>1,422,009</b>	<b>94</b>	<b>1,487,313</b>	<b>96</b>
<b>Non-current assets :</b>						
Non-current financial assets at fair value through profit or loss	-	-	-	-	20,011	1
Non-current held-to-maturity financial assets, net	50,000	4	50,000	4	-	-
Non-current financial assets at cost, net	2,400	-	2,400	-	-	-
Property, plant and equipment	4,252	-	4,741	-	4,671	-
Intangible assets	5	-	5	-	5	-
Deferred tax assets	17,746	1	18,209	1	14,539	1
Guarantee deposits paid	4,724	-	4,796	-	4,874	1
Other non-current assets, others	7,355	1	7,990	1	10,814	1
<b>Total non-current assets</b>	<b>86,482</b>	<b>6</b>	<b>88,141</b>	<b>6</b>	<b>54,914</b>	<b>4</b>
<b>Total Assets</b>	<b>\$ 1,500,605</b>	<b>100</b>	<b>1,510,150</b>	<b>100</b>	<b>1,542,227</b>	<b>100</b>

	March 31,2017		December 31,2016		March 31,2016	
	Amount	%	Amount	%	Amount	%
<b>Liabilities and equity</b>						
<b>Current liabilities :</b>						
Notes payable	\$ 2,244	-	-	-	753	-
Accounts payable	99,994	7	153,129	10	126,309	8
Other payables	110,260	7	125,994	9	114,154	7
Current tax liabilities	23,403	2	15,323	1	27,246	2
Current provisions for employee benefits	5,170	-	3,996	-	4,108	-
Other current liabilities	8,399	1	8,964	1	7,301	1
<b>Total current liabilities</b>	<b>249,470</b>	<b>17</b>	<b>307,406</b>	<b>21</b>	<b>279,871</b>	<b>18</b>
<b>Non-current liabilities :</b>						
Deferred tax liabilities	-	-	458	-	-	-
Net defined benefit liabilities	3,270	-	3,409	-	1,594	-
<b>Total non-current liabilities</b>	<b>3,270</b>	<b>-</b>	<b>3,867</b>	<b>-</b>	<b>1,594</b>	<b>-</b>
<b>Total liabilities</b>	<b>252,740</b>	<b>17</b>	<b>311,273</b>	<b>21</b>	<b>281,465</b>	<b>18</b>
<b>Equity attributable to owners of parent :</b>						
Ordinary share	571,814	38	571,814	38	549,821	36
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	126,605	8	126,605	8	148,598	10
Capital surplus, net assets from merger	39,842	3	39,842	3	39,842	2
Capital surplus, others	514	-	514	-	514	-
	<b>166,961</b>	<b>11</b>	<b>166,961</b>	<b>11</b>	<b>188,954</b>	<b>12</b>
Retained earnings :						
Legal reserve	189,429	13	189,429	13	166,869	11
Unappropriated retained earnings (accumulated deficit)	255,283	17	204,689	13	288,995	19
	<b>444,712</b>	<b>30</b>	<b>394,118</b>	<b>26</b>	<b>455,864</b>	<b>30</b>
Other equity interest :						
Exchange differences on translation of foreign operations	183	-	1,001	-	1,016	-
<b>Total equity attributable to owners of parent</b>	<b>1,183,670</b>	<b>79</b>	<b>1,133,894</b>	<b>75</b>	<b>1,195,655</b>	<b>78</b>
Non-controlling interests	64,195	4	64,983	4	65,107	4
<b>Total equity</b>	<b>1,247,865</b>	<b>83</b>	<b>1,198,877</b>	<b>79</b>	<b>1,260,762</b>	<b>82</b>
<b>Total liabilities and equity</b>	<b>\$ 1,500,605</b>	<b>100</b>	<b>1,510,150</b>	<b>100</b>	<b>1,542,227</b>	<b>100</b>

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the three months ended March 31, 2017 and 2016  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	<b>2017</b>		<b>2016</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Sales revenue</b>	\$ 277,886	101	284,959	101
Less : Sales returns	589	-	105	-
Sales discounts and allowances	1,653	1	1,452	1
<b>Operating revenue</b>	<u>275,644</u>	<u>100</u>	<u>283,402</u>	<u>100</u>
<b>Cost of sales</b>	118,957	43	136,201	48
<b>Gross profit (loss) from operations</b>	<u>156,687</u>	<u>57</u>	<u>147,201</u>	<u>52</u>
<b>Operating expenses</b>				
Selling expenses	13,588	5	14,605	5
Administrative expenses	13,281	5	13,164	5
Research and development expenses	63,136	23	58,474	20
<b>Total operating expenses</b>	<u>90,005</u>	<u>33</u>	<u>86,243</u>	<u>30</u>
<b>Net operating income (loss)</b>	<u>66,682</u>	<u>24</u>	<u>60,958</u>	<u>22</u>
<b>Non-operating income and expenses :</b>				
Other income	2,355	1	2,929	1
Other gains and losses, net	(10,650)	(4)	(4,474)	(2)
Finance costs, net	-	-	(154)	-
<b>Total non-operating income and expenses</b>	<u>(8,295)</u>	<u>(3)</u>	<u>(1,699)</u>	<u>(1)</u>
<b>Profit (loss) before tax</b>	58,387	21	59,259	21
<b>Less : Tax expense (income)</b>	8,139	3	4,896	2
<b>Profit (loss)</b>	<u>50,248</u>	<u>18</u>	<u>54,363</u>	<u>19</u>
<b>Other comprehensive income :</b>				
<b>Items that may be reclassified subsequently to profit or loss :</b>				
Exchange differences on translation of foreign operations	(1,260)	-	(489)	-
Income tax related to items that may be reclassified subsequently	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	<u>(1,260)</u>	<u>-</u>	<u>(489)</u>	<u>-</u>
<b>Other comprehensive income, net</b>	<u>(1,260)</u>	<u>-</u>	<u>(489)</u>	<u>-</u>
<b>Comprehensive income</b>	<u>\$ 48,988</u>	<u>18</u>	<u>53,874</u>	<u>19</u>
<b>Profit (loss), attributable to :</b>				
Profit (loss), attributable to owners of parent	\$ 50,594	18	53,859	19
Profit (loss), attributable to non-controlling interests	(346)	-	504	-
	<u>\$ 50,248</u>	<u>18</u>	<u>54,363</u>	<u>19</u>
<b>Comprehensive income attributable to :</b>				
Comprehensive income, attributable to owners of parent	\$ 49,776	18	53,541	19
Comprehensive income, attributable to non-controlling interests	(788)	-	333	-
	<u>\$ 48,988</u>	<u>18</u>	<u>53,874</u>	<u>19</u>
<b>Earnings per share(NT Dollars) :</b>				
<b>Basic earnings per share</b>	<u>\$</u>	<u>0.88</u>	<u>\$</u>	<u>0.94</u>
<b>Diluted earnings per share</b>	<u>\$</u>	<u>0.88</u>	<u>\$</u>	<u>0.91</u>

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
**For the three months ended March 31, 2017 and 2016**  
**(In Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	Equity attributable to owners of parent						Total 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			
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	-	-	-	-	53,859	-	53,859	504	54,363
Other comprehensive income for current period	-	-	-	-	-	(318)	(318)	(171)	(489)
Total comprehensive income	-	-	-	-	53,859	(318)	53,541	333	53,874
Ending Balance, March 31, 2016	\$ 549,821	188,954	166,869	-	288,995	1,016	1,195,655	65,107	1,260,762
Beginning balance, January 1, 2017	\$ 571,814	166,961	189,429	-	204,689	1,001	1,133,894	64,983	1,198,877
Profit for current period	-	-	-	-	50,594	-	50,594	(346)	50,248
Other comprehensive income for current period	-	-	-	-	-	(818)	(818)	(442)	(1,260)
Total comprehensive income	-	-	-	-	50,594	(818)	49,776	(788)	48,988
Ending Balance, March 31, 2017	\$ 571,814	166,961	189,429	-	255,283	183	1,183,670	64,195	1,247,865

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the three months ended March 31, 2017 and 2016**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	2017	2016
<b>Cash flows from operating activities, indirect method :</b>		
<b>Profit (loss) before tax</b>	\$ 58,387	\$ 59,259
<b>Adjustments :</b>		
Adjustments to reconcile profit (loss) :		
Depreciation expense	637	723
Amortization expense	2,667	5,801
Provision (reversal of provision) for bad debt expense	-	(5)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(117)	(237)
Interest expense	-	154
Interest income	(1,238)	(2,074)
Loss (gain) on bond redemption	-	(113)
Total adjustments to reconcile profit (loss)	1,949	4,249
<b>Changes in operating assets and liabilities :</b>		
Changes in operating assets :		
Decrease (increase) in notes receivable	(3,482)	(408)
Decrease (increase) in accounts receivable	18,880	(6,208)
Decrease (increase) in accounts receivable due from related parties	5,307	462
Decrease (increase) in other receivable	(456)	(23)
Decrease (increase) in inventories	(39,167)	(30,565)
Decrease (increase) in prepayments	(6,737)	(1,591)
Total changes in operating assets	(25,655)	(38,333)
Changes in operating liabilities :		
Increase (decrease) in notes payable	2,244	335
Increase (decrease) in accounts payable	(53,135)	60,332
Increase (decrease) in other payable	(13,883)	(22,162)
Increase (decrease) in provisions	1,174	478
Increase (decrease) in other current liabilities	(565)	3,197
Increase (decrease) in net defined benefit liabilities	(139)	(141)
Total changes in operating liabilities	(64,304)	42,039
Total changes in operating assets and liabilities	(89,959)	3,706
Total adjustments	(88,010)	7,955
Cash inflow (outflow) generated from operations	(29,623)	67,214
Interest received	943	1,722
Income taxes refund (paid)	(54)	(77)
<b>Net cash flows from operating activities</b>	(28,734)	68,859
<b>Cash flows from investing activities :</b>		
Acquisition of property, plant and equipment	(629)	(840)
Decrease (Increase) in refundable deposits	72	409
Increase in other non-current assets	(3,410)	(5,970)
<b>Net cash flows from investing activities</b>	(3,967)	(6,401)
<b>Cash flows from financing activities</b>		
Repayments of bonds	-	(90,131)
<b>Net cash flows from financing activities</b>	-	(90,131)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,252)	(487)
<b>Net increase (decrease) in cash and cash equivalents</b>	(33,953)	(28,160)
<b>Cash and cash equivalents at beginning of period</b>	796,854	812,644
<b>Cash and cash equivalents at end of period</b>	\$ 762,901	\$ 784,484