

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**As of June 30, 2017, December 31, 2016 and June 30, 2016**  
**(In Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	June 30,2017		December 31,2016		June 30,2016	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets :</b>						
Cash and cash equivalents	\$ 737,751	46	796,854	52	874,729	53
Current financial assets at fair value through profit or loss	161,705	10	149,454	10	244,382	15
Current held-to-maturity financial assets, net	-	-	-	-	50,000	3
Notes receivable, net	2,194	-	992	-	1,250	-
Accounts receivable, net	112,192	7	117,514	8	134,943	8
Accounts receivable due from related parties, net	41,282	3	26,378	2	24,708	1
Other receivables	2,044	-	696	-	1,060	-
Inventories	376,997	24	313,773	21	264,246	16
Prepayments	20,674	2	15,226	1	20,837	1
Other current financial assets	1,122	-	1,122	-	1,109	-
<b>Total current assets</b>	<b>1,455,961</b>	<b>92</b>	<b>1,422,009</b>	<b>94</b>	<b>1,617,264</b>	<b>97</b>
<b>Non-current assets :</b>						
Non-current financial assets at fair value through profit or loss	-	-	-	-	10,025	1
Non-current held-to-maturity financial assets, net	100,000	6	50,000	4	-	-
Non-current financial assets at cost, net	2,400	-	2,400	-	2,400	-
Property, plant and equipment	4,777	1	4,741	-	4,842	-
Intangible assets	5	-	5	-	5	-
Deferred tax assets	17,265	1	18,209	1	15,652	1
Guarantee deposits paid	4,732	-	4,796	-	4,887	-
Other non-current assets, others	4,063	-	7,990	1	10,633	1
<b>Total non-current assets</b>	<b>133,242</b>	<b>8</b>	<b>88,141</b>	<b>6</b>	<b>48,444</b>	<b>3</b>
<b>Total Assets</b>	<b>\$ 1,589,203</b>	<b>100</b>	<b>1,510,150</b>	<b>100</b>	<b>1,665,708</b>	<b>100</b>

	June 30,2017		December 31,2016		June 30,2016	
	Amount	%	Amount	%	Amount	%
<b>Liabilities and equity</b>						
<b>Current liabilities :</b>						
Notes payable	\$ 2,027	-	-	-	322	-
Accounts payable	111,847	7	153,129	10	191,400	12
Dividends payable	211,571	13	-	-	203,434	12
Other payables	132,356	8	125,994	9	132,202	8
Current tax liabilities	17,387	1	15,323	1	17,421	1
Current provisions for employee benefits	4,844	1	3,996	-	3,995	-
Other current liabilities	10,150	1	8,964	1	6,772	-
<b>Total current liabilities</b>	<b>490,182</b>	<b>31</b>	<b>307,406</b>	<b>21</b>	<b>555,546</b>	<b>33</b>
<b>Non-current liabilities :</b>						
Deferred tax liabilities	54	-	458	-	-	-
Net defined benefit liabilities	3,163	-	3,409	-	1,488	-
<b>Total non-current liabilities</b>	<b>3,217</b>	<b>-</b>	<b>3,867</b>	<b>-</b>	<b>1,488</b>	<b>-</b>
<b>Total liabilities</b>	<b>493,399</b>	<b>31</b>	<b>311,273</b>	<b>21</b>	<b>557,034</b>	<b>33</b>
<b>Equity attributable to owners of parent :</b>						
Ordinary share	571,814	36	571,814	38	549,821	33
Stock dividend to be distributed	22,873	1	-	-	21,993	2
	594,687	37	571,814	38	571,814	35
Capital surplus :						
Capital surplus, additional paid-in capital arising from ordinary share	69,423	4	126,605	8	126,605	8
Capital surplus, net assets from merger	39,842	3	39,842	3	39,842	2
Capital surplus, others	514	-	514	-	514	-
	109,779	7	166,961	11	166,961	10
Retained earnings :						
Legal reserve	209,193	13	189,429	13	189,429	11
Unappropriated retained earnings (accumulated deficit)	118,830	8	204,689	13	114,531	7
	328,023	21	394,118	26	303,960	18
Other equity interest :						
Exchange differences on translation of foreign operations	218	-	1,001	-	1,052	-
<b>Total equity attributable to owners of parent</b>	<b>1,032,707</b>	<b>65</b>	<b>1,133,894</b>	<b>75</b>	<b>1,043,787</b>	<b>63</b>
Non-controlling interests	63,097	4	64,983	4	64,887	4
<b>Total equity</b>	<b>1,095,804</b>	<b>69</b>	<b>1,198,877</b>	<b>79</b>	<b>1,108,674</b>	<b>67</b>
<b>Total liabilities and equity</b>	<b>\$ 1,589,203</b>	<b>100</b>	<b>1,510,150</b>	<b>100</b>	<b>1,665,708</b>	<b>100</b>

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the three months ended June 30, 2017 and 2016**  
**For the six months ended June 30, 2017 and 2016**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	For The Three Months Ended June 30				For The Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Sales revenue</b>	\$ 283,417	101	312,236	101	561,303	101	597,195	101
Less : Sales returns	1,415	1	150	-	2,004	1	255	-
Sales discounts and allowances	139	-	2,660	1	1,792	-	4,112	1
<b>Operating revenue</b>	<b>281,863</b>	<b>100</b>	<b>309,426</b>	<b>100</b>	<b>557,507</b>	<b>100</b>	<b>592,828</b>	<b>100</b>
<b>Cost of sales</b>	<b>124,101</b>	<b>44</b>	<b>168,207</b>	<b>54</b>	<b>243,058</b>	<b>44</b>	<b>304,408</b>	<b>51</b>
<b>Gross profit (loss) from operations</b>	<b>157,762</b>	<b>56</b>	<b>141,219</b>	<b>46</b>	<b>314,449</b>	<b>56</b>	<b>288,420</b>	<b>49</b>
<b>Operating expenses</b>								
Selling expenses	14,389	5	14,329	5	27,977	5	28,934	5
Administrative expenses	13,794	5	13,523	4	27,075	4	26,687	5
Research and development expenses	64,476	23	58,926	19	127,612	23	117,400	20
<b>Total operating expenses</b>	<b>92,659</b>	<b>33</b>	<b>86,778</b>	<b>28</b>	<b>182,664</b>	<b>32</b>	<b>173,021</b>	<b>30</b>
<b>Net operating income (loss)</b>	<b>65,103</b>	<b>23</b>	<b>54,441</b>	<b>18</b>	<b>131,785</b>	<b>24</b>	<b>115,399</b>	<b>19</b>
<b>Non-operating income and expenses :</b>								
Other income	2,901	1	1,995	1	5,256	1	4,924	1
Other gains and losses, net	1,349	1	662	-	(9,301)	(2)	(3,812)	-
Finance costs, net	-	-	-	-	-	-	(154)	-
<b>Total non-operating income and expenses</b>	<b>4,250</b>	<b>2</b>	<b>2,657</b>	<b>1</b>	<b>(4,045)</b>	<b>(1)</b>	<b>958</b>	<b>1</b>
<b>Profit (loss) before tax</b>	<b>69,353</b>	<b>25</b>	<b>57,098</b>	<b>19</b>	<b>127,740</b>	<b>23</b>	<b>116,357</b>	<b>20</b>
Less : Tax expense (income)	9,897	4	5,808	2	18,036	3	10,704	2
<b>Profit (loss)</b>	<b>59,456</b>	<b>21</b>	<b>51,290</b>	<b>17</b>	<b>109,704</b>	<b>20</b>	<b>105,653</b>	<b>18</b>
<b>Other comprehensive income :</b>								
<b>Items that may be reclassified subsequently to profit or loss :</b>								
Exchange differences on translation of foreign operations	54	-	56	-	(1,206)	-	(433)	-
Income tax related to items that may be reclassified subsequently	-	-	-	-	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>54</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>(1,206)</b>	<b>-</b>	<b>(433)</b>	<b>-</b>
<b>Other comprehensive income, net</b>	<b>54</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>(1,206)</b>	<b>-</b>	<b>(433)</b>	<b>-</b>
<b>Comprehensive income</b>	<b>\$ 59,510</b>	<b>21</b>	<b>51,346</b>	<b>17</b>	<b>108,498</b>	<b>20</b>	<b>105,220</b>	<b>18</b>
<b>Profit (loss), attributable to :</b>								
Profit (loss), attributable to owners of parent	\$ 60,573	21	51,530	17	111,167	20	105,389	18
Profit (loss), attributable to non-controlling interests	(1,117)	-	(240)	-	(1,463)	-	264	-
	<b>\$ 59,456</b>	<b>21</b>	<b>51,290</b>	<b>17</b>	<b>109,704</b>	<b>20</b>	<b>105,653</b>	<b>18</b>
<b>Comprehensive income attributable to :</b>								
Comprehensive income, attributable to owners of parent	\$ 60,608	21	51,566	17	110,384	20	105,107	18
Comprehensive income, attributable to non-controlling interests	(1,098)	-	(220)	-	(1,886)	-	113	-
	<b>\$ 59,510</b>	<b>21</b>	<b>51,346</b>	<b>17</b>	<b>108,498</b>	<b>20</b>	<b>105,220</b>	<b>18</b>
<b>Earnings per share(NT Dollars) :</b>								
<b>Basic earnings per share</b>	<b>\$ 1.02</b>		<b>0.87</b>		<b>1.87</b>		<b>1.77</b>	
<b>Diluted earnings per share</b>	<b>\$ 1.01</b>		<b>0.86</b>		<b>1.85</b>		<b>1.73</b>	

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
**For the six months ended June 30, 2017 and 2016**  
**(In Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	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	Stock dividend to be distributed	Capital surplus	Legal 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	-	-	-	-	105,389	-	105,389	264	105,653	
Other comprehensive income for current period	-	-	-	-	-	(282)	(282)	(151)	(433)	
Total comprehensive income	-	-	-	-	105,389	(282)	105,107	113	105,220	
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, June 30, 2016	<u>\$ 549,821</u>	<u>21,993</u>	<u>166,961</u>	<u>189,429</u>	<u>114,531</u>	<u>1,052</u>	<u>1,043,787</u>	<u>64,887</u>	<u>1,108,674</u>	
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	-	-	-	-	111,167	-	111,167	(1,463)	109,704	
Other comprehensive income for current period	-	-	-	-	-	(783)	(783)	(423)	(1,206)	
Total comprehensive income	-	-	-	-	111,167	(783)	110,384	(1,886)	108,498	
Appropriation and distribution of retained earnings :										
Legal reserve appropriated	-	-	-	19,764	(19,764)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(177,262)	-	(177,262)	-	(177,262)	
Stock dividends from capital surplus	-	22,873	(22,873)	-	-	-	-	-	-	
Cash dividends from capital surplus	-	-	(34,309)	-	-	-	(34,309)	-	(34,309)	
Ending Balance, June 30, 2017	<u>\$ 571,814</u>	<u>22,873</u>	<u>109,779</u>	<u>209,193</u>	<u>118,830</u>	<u>218</u>	<u>1,032,707</u>	<u>63,097</u>	<u>1,095,804</u>	

**eGalax\_eMPIA Technology Inc. and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the six months ended June 30, 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>	\$ 127,740	\$ 116,357
<b>Adjustments :</b>		
Adjustments to reconcile profit (loss) :		
Depreciation expense	1,176	1,442
Amortization expense	6,013	10,049
Provision (reversal of provision) for bad debt expense	-	(26)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(251)	(371)
Interest expense	-	154
Interest income	(2,579)	(3,949)
Loss (gain) on bond redemption	-	(113)
Total adjustments to reconcile profit (loss)	4,359	7,186
<b>Changes in operating assets and liabilities :</b>		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	(12,000)	40,175
Decrease (increase) in notes receivable	(1,202)	398
Decrease (increase) in accounts receivable	5,322	(23,217)
Decrease (increase) in accounts receivable due from related parties	(14,904)	(5,066)
Decrease (increase) in other receivable	(760)	524
Decrease (increase) in inventories	(63,224)	(122,325)
Decrease (increase) in prepayments	(5,448)	(8,943)
Total changes in operating assets	(92,216)	(118,454)
Changes in operating liabilities :		
Increase (decrease) in notes payable	2,027	(96)
Increase (decrease) in accounts payable	(41,282)	125,423
Increase (decrease) in other payable	7,532	(6,739)
Increase (decrease) in provisions	848	365
Increase (decrease) in other current liabilities	1,186	2,668
Increase (decrease) in net defined benefit liabilities	(246)	(247)
Total changes in operating liabilities	(29,935)	121,374
Total changes in operating assets and liabilities	(122,151)	2,920
Total adjustments	(117,792)	10,106
Cash inflow (outflow) generated from operations	9,948	126,463
Interest received	1,991	4,153
Income taxes refund (paid)	(15,432)	(16,823)
<b>Net cash flows from operating activities</b>	(3,493)	113,793
<b>Cash flows from investing activities :</b>		
Acquisition of held-to-maturity financial assets	(50,000)	-
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	(674)	(1,385)
Decrease (Increase) in refundable deposits	64	396
Increase in other non-current assets	(3,802)	(7,765)
<b>Net cash flows from investing activities</b>	(54,412)	38,846
<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>	(1,198)	(423)
<b>Net increase (decrease) in cash and cash equivalents</b>	(59,103)	62,085
<b>Cash and cash equivalents at beginning of period</b>	796,854	812,644
<b>Cash and cash equivalents at end of period</b>	\$ 737,751	\$ 874,729