

eGalax_eMPIA Technology Inc.
BALANCE SHEET
As of December 31, 2017, and December 31, 2016
(In Thousands of New Taiwan Dollars)

| | December 31, 2017 | | December 31, 2016 | | | December 31, 2017 | | December 31, 2016 | |
|---|---------------------|------------|---------------------|------------|---|---------------------|------------|---------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Assets | | | | | Liabilities and equity | | | | |
| Current assets : | | | | | Current liabilities : | | | | |
| Cash and cash equivalents | \$ 482,979 | 36 | 639,333 | 45 | Notes payable | \$ 386 | - | - | - |
| Current financial assets at fair value through profit or loss | 140,532 | 10 | 128,030 | 9 | Accounts payable | 64,808 | 5 | 148,744 | 11 |
| Notes receivable, net | 3,321 | - | 875 | - | Other payables | 109,655 | 8 | 108,451 | 8 |
| Accounts receivable, net | 104,263 | 8 | 111,246 | 8 | Current tax liabilities | 31,448 | 3 | 14,405 | 1 |
| Accounts receivable due from related parties, net | 14,074 | 1 | 25,686 | 2 | Current provisions for employee benefits | 4,824 | - | 3,996 | - |
| Other receivables | 992 | - | 356 | - | Other current liabilities | 4,726 | - | 5,971 | - |
| Inventories | 347,011 | 26 | 307,946 | 22 | Total current liabilities | 215,847 | 16 | 281,567 | 20 |
| Prepayments | 2,898 | - | 5,926 | - | Non-current liabilities : | | | | |
| Other current financial assets | 1,134 | - | 1,122 | - | Deferred tax liabilities | - | - | 233 | - |
| Total current assets | 1,097,204 | 81 | 1,220,520 | 86 | Net defined benefit liabilities | 5,191 | - | 3,409 | - |
| Non-current assets : | | | | | Total non-current liabilities | 5,191 | - | 3,642 | - |
| Non-current held-to-maturity financial assets, net | 100,000 | 8 | 50,000 | 4 | Total liabilities | 221,038 | 16 | 285,209 | 20 |
| Investments accounted for using equity method | 123,262 | 9 | 120,338 | 8 | Equity : | | | | |
| Property, plant and equipment | 3,550 | - | 4,160 | - | Ordinary share | 594,687 | 44 | 571,814 | 40 |
| Deferred tax assets | 15,110 | 1 | 14,227 | 1 | Capital surplus : | | | | |
| Guarantee deposits paid | 3,396 | - | 3,417 | - | Capital surplus, additional paid-in capital arising from ordinary share | 69,423 | 5 | 126,605 | 9 |
| Other non-current assets, others | 6,426 | 1 | 6,441 | 1 | Capital surplus, net assets from merger | 39,842 | 3 | 39,842 | 3 |
| Total non-current assets | 251,744 | 19 | 198,583 | 14 | Capital surplus, others | 514 | - | 514 | - |
| | | | | | | 109,779 | 8 | 166,961 | 12 |
| | | | | | Retained earnings : | | | | |
| | | | | | Legal reserve | 209,193 | 16 | 189,429 | 13 |
| | | | | | Unappropriated retained earnings (accumulated deficit) | 214,275 | 16 | 204,689 | 15 |
| | | | | | | 423,468 | 32 | 394,118 | 28 |
| | | | | | Other equity interest : | | | | |
| | | | | | Exchange differences on translation of foreign operations | (24) | - | 1,001 | - |
| | | | | | Total equity | 1,127,910 | 84 | 1,133,894 | 80 |
| Total Assets | \$ 1,348,948 | 100 | \$ 1,419,103 | 100 | Total liabilities and equity | \$ 1,348,948 | 100 | \$ 1,419,103 | 100 |

eGalax_eMPIA Technology Inc.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years ended December 31, 2017 and 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2017 | | 2016 | |
|--|-------------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| Sales revenue | \$ 1,014,527 | 101 | 1,142,970 | 101 |
| Less : Sales returns | 4,069 | 1 | 3,792 | - |
| Sales discounts and allowances | 2,106 | - | 5,100 | 1 |
| Operating revenue | <u>1,008,352</u> | <u>100</u> | <u>1,134,078</u> | <u>100</u> |
| Cost of sales | 478,288 | 47 | 634,774 | 56 |
| Gross profit (loss) from operations | <u>530,064</u> | <u>53</u> | <u>499,304</u> | <u>44</u> |
| Operating expenses | | | | |
| Selling expenses | 44,780 | 4 | 45,735 | 4 |
| Administrative expenses | 38,343 | 4 | 36,821 | 3 |
| Research and development expenses | 209,626 | 21 | 203,977 | 18 |
| Total operating expenses | <u>292,749</u> | <u>29</u> | <u>286,533</u> | <u>25</u> |
| Net operating income (loss) | <u>237,315</u> | <u>24</u> | <u>212,771</u> | <u>19</u> |
| Non-operating income and expenses : | | | | |
| Other income | 7,407 | 1 | 7,491 | 1 |
| Other gains and losses, net | (9,296) | (1) | (4,315) | (1) |
| Finance costs, net | - | - | (154) | - |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | 3,949 | - | 719 | - |
| Total non-operating income and expenses | <u>2,060</u> | <u>-</u> | <u>3,741</u> | <u>-</u> |
| Profit (loss) before tax | 239,375 | 24 | 216,512 | 19 |
| Less : Tax expense (income) | 30,561 | 3 | 18,869 | 2 |
| Profit (loss) | <u>208,814</u> | <u>21</u> | <u>197,643</u> | <u>17</u> |
| Other comprehensive income (loss) : | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit obligation | (2,202) | - | (2,096) | - |
| Income tax related to items that will not be reclassified subsequently | - | - | - | - |
| | <u>(2,202)</u> | <u>-</u> | <u>(2,096)</u> | <u>-</u> |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of foreign operations | (1,025) | - | (333) | - |
| Income tax related to items that may be reclassified subsequently | - | - | - | - |
| | <u>(1,025)</u> | <u>-</u> | <u>(333)</u> | <u>-</u> |
| Other comprehensive income, net | <u>(3,227)</u> | <u>-</u> | <u>(2,429)</u> | <u>-</u> |
| Comprehensive income | <u>\$ 205,587</u> | <u>21</u> | <u>195,214</u> | <u>17</u> |
| Earnings per share(NT Dollars) : | | | | |
| Basic earnings per share | \$ | 3.51 | \$ | 3.32 |
| Diluted earnings per share | \$ | 3.48 | \$ | 3.27 |

eGalax_eMPIA Technology Inc.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Years ended December 31, 2017 and 2016
(In Thousands of New Taiwan Dollars)

| | Ordinary share | Capital surplus | Retained earnings | | Other equity interest | Total equity |
|---|----------------|-----------------|-------------------|--|---|--------------|
| | | | 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 |
| Profit for current period | - | - | - | 197,643 | - | 197,643 |
| Other comprehensive income for current period | - | - | - | (2,096) | (333) | (2,429) |
| Total comprehensive income | - | - | - | 195,547 | (333) | 195,214 |
| Appropriation and distribution of retained earnings : | | | | | | |
| Legal reserve appropriated | - | - | 22,560 | (22,560) | - | - |
| Cash dividends of ordinary share | - | - | - | (203,434) | - | (203,434) |
| Stock dividends from capital surplus | 21,993 | (21,993) | - | - | - | - |
| Ending Balance, December 31, 2016 | 571,814 | 166,961 | 189,429 | 204,689 | 1,001 | 1,133,894 |
| Profit for current period | - | - | - | 208,814 | - | 208,814 |
| Other comprehensive income for current period | - | - | - | (2,202) | (1,025) | (3,227) |
| Total comprehensive income | - | - | - | 206,612 | (1,025) | 205,587 |
| Appropriation and distribution of retained earnings : | | | | | | |
| Legal reserve appropriated | - | - | 19,764 | (19,764) | - | - |
| Cash dividends of ordinary share | - | - | - | (177,262) | - | (177,262) |
| Stock dividends from capital surplus | 22,873 | (22,873) | - | - | - | - |
| Cash dividends from capital surplus | - | (34,309) | - | - | - | (34,309) |
| Ending Balance, December 31, 2017 | \$ 594,687 | 109,779 | 209,193 | 214,275 | (24) | 1,127,910 |

Note1 : The appropriations for 2017 and 2016, directors emoluments of NT\$5,105 thousand and NT\$4,642 thousand , employees compensation were NT\$27,166 thousand and NT\$25,780 thousand , respectively, were recognized and accrued in the 2017 and 2016 Statements of comprehensive income.

eGalax_eMPIA Technology Inc.
STATEMENT OF CASH FLOW
For the Years ended December 31, 2017 and 2016
(In Thousands of New Taiwan Dollars)

| | 2017 | 2016 |
|---|------------|-----------|
| Cash flows from operating activities, indirect method : | | |
| Profit (loss) before tax | \$ 239,375 | 216,512 |
| Adjustments : | | |
| Adjustments to reconcile profit (loss) : | | |
| Depreciation expense | 2,049 | 2,324 |
| Amortization expense | 7,982 | 15,832 |
| Provision (reversal of provision) for bad debt expense | - | (26) |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | (502) | (489) |
| Interest expense | - | 154 |
| Interest income | (4,081) | (5,275) |
| Share of loss (profit) of associates and joint ventures accounted for using equity method | (3,949) | (719) |
| Loss (gain) on bond redemption | - | (113) |
| Total adjustments to reconcile profit (loss) | 1,499 | 11,688 |
| Changes in operating assets and liabilities : | | |
| Changes in operating assets : | | |
| Decrease (increase) in financial assets held for trading | (12,000) | 116,461 |
| Decrease (increase) in notes receivable | (2,446) | 773 |
| Decrease (increase) in accounts receivable | 6,983 | (9,275) |
| Decrease (increase) in accounts receivable due from related parties | 11,612 | (6,235) |
| Decrease (increase) in other receivable | (166) | 141 |
| Decrease (increase) in inventories | (39,065) | (178,048) |
| Decrease (increase) in prepayments | 3,028 | (3,032) |
| Decrease (increase) in other financial assets | (12) | (13) |
| Total changes in operating assets | (32,066) | (79,228) |
| Changes in operating liabilities : | | |
| Increase (decrease) in notes payable | 386 | (418) |
| Increase (decrease) in accounts payable | (83,936) | 86,302 |
| Increase (decrease) in other payable | 739 | (10,629) |
| Increase (decrease) in provisions | 828 | 366 |
| Increase (decrease) in other current liabilities | (1,245) | 3,061 |
| Increase (decrease) in net defined benefit liabilities | (420) | (422) |
| Total changes in operating liabilities | (83,648) | 78,260 |
| Total changes in operating assets and liabilities | (115,714) | (968) |
| Total adjustments | (114,215) | 10,720 |
| Cash inflow (outflow) generated from operations | 125,160 | 227,232 |
| Interest received | 3,611 | 5,727 |
| Income taxes refund (paid) | (14,634) | (29,468) |
| Net cash flows from operating activities | 114,137 | 203,491 |
| Cash flows from investing activities : | | |
| Acquisition of held-to-maturity financial assets | (50,000) | - |
| Proceeds from repayments of held-to-maturity financial assets | - | 50,000 |
| Acquisition of property, plant and equipment | (1,821) | (2,784) |
| Decrease (Increase) in refundable deposits | 21 | 396 |
| Increase in other non-current assets | (7,120) | (12,618) |
| Net cash flows from investing activities | (58,920) | 34,994 |
| Cash flows from financing activities : | | |
| Repayments of bonds | - | (90,131) |
| Cash dividends paid | (211,571) | (203,434) |
| Net cash flows from financing activities | (211,571) | (293,565) |
| Net increase (decrease) in cash and cash equivalents | (156,354) | (55,080) |
| Cash and cash equivalents at beginning of period | 639,333 | 694,413 |
| Cash and cash equivalents at end of period | 482,979 | 639,333 |