

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED 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	\$ 631,851	44	\$ 796,854	52	Notes payable	\$ 385	-	-	-
Current financial assets at fair value through profit or loss	162,034	11	149,454	10	Accounts payable	73,180	5	153,129	10
Notes receivable, net	3,321	-	992	-	Other payables	140,856	10	125,994	9
Accounts receivable, net	138,149	10	117,514	8	Current tax liabilities	32,797	2	15,323	1
Accounts receivable due from related parties, net	14,783	1	26,378	2	Current provisions for employee benefits	4,824	-	3,996	-
Other receivables	1,378	-	696	-	Other current liabilities	6,121	1	8,964	1
Inventories	356,190	24	313,773	21	Total current liabilities	<u>258,163</u>	<u>18</u>	<u>307,406</u>	<u>21</u>
Prepayments	5,654	-	15,226	1	Non-current liabilities :				
Other current financial assets	1,134	-	1,122	-	Deferred tax liabilities	-	-	458	-
Total current assets	<u>1,314,494</u>	<u>90</u>	<u>1,422,009</u>	<u>94</u>	Net defined benefit liabilities	5,191	-	3,409	-
Non-current assets :					Total non-current liabilities	<u>5,191</u>	<u>-</u>	<u>3,867</u>	<u>-</u>
Non-current held-to-maturity financial assets, net	100,000	7	50,000	4	Total liabilities	<u>263,354</u>	<u>18</u>	<u>311,273</u>	<u>21</u>
Non-current financial assets at cost, net	-	-	2,400	-	Equity attributable to owners of parent :				
Property, plant and equipment	3,852	-	4,741	-	Ordinary share	594,687	40	571,814	38
Intangible assets	5	-	5	-	Capital surplus :				
Deferred tax assets	18,959	2	18,209	1	Capital surplus, additional paid-in capital arising from ordinary share	69,423	5	126,605	8
Guarantee deposits paid	4,784	-	4,796	-	Capital surplus, net assets from merger	39,842	3	39,842	3
Other non-current assets, others	15,732	1	7,990	1	Capital surplus, others	514	-	514	-
Total non-current assets	<u>143,332</u>	<u>10</u>	<u>88,141</u>	<u>6</u>		<u>109,779</u>	<u>8</u>	<u>166,961</u>	<u>11</u>
					Retained earnings :				
					Legal reserve	209,193	14	189,429	13
					Unappropriated retained earnings (accumulated deficit)	214,275	15	204,689	13
						<u>423,468</u>	<u>29</u>	<u>394,118</u>	<u>26</u>
					Other equity interest :				
					Exchange differences on translation of foreign operations	(24)	-	1,001	-
					Total equity attributable to owners of parent	<u>1,127,910</u>	<u>77</u>	<u>1,133,894</u>	<u>75</u>
					Non-controlling interests	66,562	5	64,983	4
					Total equity	<u>1,194,472</u>	<u>82</u>	<u>1,198,877</u>	<u>79</u>
Total Assets	<u>\$ 1,457,826</u>	<u>100</u>	<u>1,510,150</u>	<u>100</u>	Total liabilities and equity	<u>\$ 1,457,826</u>	<u>100</u>	<u>1,510,150</u>	<u>100</u>

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED 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	\$ 1,153,984	100	1,243,617	100
Less : Sales returns	4,069	-	3,792	-
Sales discounts and allowances	2,106	-	5,100	-
Operating revenue	<u>1,147,809</u>	<u>100</u>	<u>1,234,725</u>	<u>100</u>
Cost of sales	<u>519,362</u>	<u>45</u>	<u>669,339</u>	<u>54</u>
Gross profit (loss) from operations	<u>628,447</u>	<u>55</u>	<u>565,386</u>	<u>46</u>
Operating expenses				
Selling expenses	60,822	6	56,576	5
Administrative expenses	53,393	5	52,201	4
Research and development expenses	267,107	23	242,190	20
Total operating expenses	<u>381,322</u>	<u>34</u>	<u>350,967</u>	<u>29</u>
Net operating income (loss)	<u>247,125</u>	<u>21</u>	<u>214,419</u>	<u>17</u>
Non-operating income and expenses :				
Other income	11,081	1	8,921	1
Other gains and losses, net	(14,612)	(1)	(4,784)	-
Finance costs, net	-	-	(154)	-
Total non-operating income and expenses	<u>(3,531)</u>	<u>-</u>	<u>3,983</u>	<u>1</u>
Profit (loss) before tax	<u>243,594</u>	<u>21</u>	<u>218,402</u>	<u>18</u>
Less : Tax expense (income)	<u>32,648</u>	<u>3</u>	<u>20,371</u>	<u>2</u>
Profit (loss)	<u>210,946</u>	<u>18</u>	<u>198,031</u>	<u>16</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	(1,578)	-	(512)	-
Income tax related to items that may be reclassified subsequently	-	-	-	-
	<u>(1,578)</u>	<u>-</u>	<u>(512)</u>	<u>-</u>
Other comprehensive income, net	<u>(3,780)</u>	<u>-</u>	<u>(2,608)</u>	<u>-</u>
Comprehensive income	<u>\$ 207,166</u>	<u>18</u>	<u>195,423</u>	<u>16</u>
Profit (loss), attributable to :				
Profit (loss), attributable to owners of parent	\$ 208,814	18	197,643	16
Profit (loss), attributable to non-controlling interests	2,132	-	388	-
	<u>\$ 210,946</u>	<u>18</u>	<u>198,031</u>	<u>16</u>
Comprehensive income attributable to :				
Comprehensive income, attributable to owners of parent	\$ 205,587	18	195,214	16
Comprehensive income, attributable to non-controlling interests	1,579	-	209	-
	<u>\$ 207,166</u>	<u>18</u>	<u>195,423</u>	<u>16</u>
Earnings per share(NT Dollars) :				
Basic earnings per share	<u>\$ 3.51</u>		<u>3.32</u>	
Diluted earnings per share	<u>\$ 3.48</u>		<u>3.27</u>	

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

	Equity attributable to owners of parent							Non-controlling interests	Total equity
	Share capital		Retained earnings			Other equity interest	Total equity attributable to owners of parent		
	Ordinary share	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	-	-	-	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	
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, December 31, 2016	<u>\$ 571,814</u>	<u>166,961</u>	<u>189,429</u>	<u>204,689</u>	<u>1,001</u>	<u>1,133,894</u>	<u>64,983</u>	<u>1,198,877</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	-	-	-	208,814	-	208,814	2,132	210,946	
Other comprehensive income for current period	-	-	-	(2,202)	(1,025)	(3,227)	(553)	(3,780)	
Total comprehensive income	-	-	-	206,612	(1,025)	205,587	1,579	207,166	
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, December 31, 2017	<u>\$ 594,687</u>	<u>109,779</u>	<u>209,193</u>	<u>214,275</u>	<u>(24)</u>	<u>1,127,910</u>	<u>66,562</u>	<u>1,194,472</u>	

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED 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	\$ 243,594	218,402
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	2,449	2,865
Amortization expense	11,713	18,513
Provision (reversal of provision) for bad debt expense	-	(26)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(580)	(474)
Interest expense	-	154
Interest income	(5,385)	(6,661)
Loss (gain) on bond redemption	-	(113)
Total adjustments to reconcile profit (loss)	<u>8,197</u>	<u>14,258</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	(12,000)	145,231
Decrease (increase) in notes receivable	(2,329)	656
Decrease (increase) in accounts receivable	(20,635)	(5,788)
Decrease (increase) in accounts receivable due from related parties	11,595	(6,736)
Decrease (increase) in other receivable	(151)	585
Decrease (increase) in inventories	(42,417)	(171,852)
Decrease (increase) in prepayments	9,572	(3,332)
Decrease (increase) in other financial assets	(12)	(13)
Total changes in operating assets	<u>(56,377)</u>	<u>(41,249)</u>
Changes in operating liabilities :		
Increase (decrease) in notes payable	385	(418)
Increase (decrease) in accounts payable	(79,949)	87,152
Increase (decrease) in other payable	14,365	(11,954)
Increase (decrease) in provisions	828	366
Increase (decrease) in other current liabilities	(2,843)	4,860
Increase (decrease) in net defined benefit liabilities	(420)	(422)
Total changes in operating liabilities	<u>(67,634)</u>	<u>79,584</u>
Total changes in operating assets and liabilities	<u>(124,011)</u>	<u>38,335</u>
Total adjustments	<u>(115,814)</u>	<u>52,593</u>
Cash inflow (outflow) generated from operations	127,780	270,995
Interest received	4,854	7,168
Income taxes refund (paid)	(16,384)	(30,687)
Net cash flows from operating activities	<u>116,250</u>	<u>247,476</u>
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 financial assets at cost	-	(2,400)
Proceeds from disposal of financial assets at cost	2,400	-
Acquisition of property, plant and equipment	(1,914)	(2,988)
Decrease (Increase) in refundable deposits	12	487
Increase in other non-current assets	(18,611)	(14,316)
Net cash flows from investing activities	<u>(68,113)</u>	<u>30,783</u>
Cash flows from financing activities :		
Repayments of bonds	-	(90,131)
Cash dividends paid	(211,571)	(203,434)
Net cash flows from financing activities	<u>(211,571)</u>	<u>(293,565)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,569)</u>	<u>(484)</u>
Net increase (decrease) in cash and cash equivalents	<u>(165,003)</u>	<u>(15,790)</u>
Cash and cash equivalents at beginning of period	<u>796,854</u>	<u>812,644</u>
Cash and cash equivalents at end of period	<u>\$ 631,851</u>	<u>\$ 796,854</u>