

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of March 31, 2018, December 31, 2017 and March 31, 2017
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

| | March 31,2018 | | December 31,2017 | | March 31,2017 | |
|---|---------------------|------------|------------------|------------|------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| Assets | | | | | | |
| Current assets : | | | | | | |
| Cash and cash equivalents | \$ 694,203 | 47 | 631,851 | 44 | 762,901 | 51 |
| Current financial assets at fair value through profit or loss | 162,209 | 11 | 162,034 | 11 | 149,571 | 10 |
| Notes receivable, net | 3,959 | - | 3,321 | - | 4,474 | - |
| Accounts receivable, net | 126,026 | 9 | 138,149 | 10 | 98,634 | 7 |
| Accounts receivable due from related parties, net | 19,150 | 1 | 14,783 | 1 | 21,071 | 1 |
| Other receivables | 1,817 | - | 1,378 | - | 1,447 | - |
| Inventories | 295,758 | 20 | 356,190 | 24 | 352,940 | 24 |
| Prepayments | 13,483 | 1 | 5,654 | - | 21,963 | 1 |
| Other current financial assets | 1,134 | - | 1,134 | - | 1,122 | - |
| Total current assets | 1,317,739 | 89 | 1,314,494 | 90 | 1,414,123 | 94 |
| Non-current assets : | | | | | | |
| Non-current held-to-maturity financial assets, net | - | - | 100,000 | 7 | 50,000 | 4 |
| Non-current financial assets at amortized cost | 100,000 | 7 | - | - | - | - |
| Non-current financial assets at cost, net | - | - | - | - | 2,400 | - |
| Property, plant and equipment | 3,618 | - | 3,852 | - | 4,252 | - |
| Intangible assets | 5 | - | 5 | - | 5 | - |
| Deferred tax assets | 25,027 | 2 | 18,959 | 2 | 17,746 | 1 |
| Guarantee deposits paid | 4,816 | - | 4,784 | - | 4,724 | - |
| Other non-current assets, others | 26,359 | 2 | 15,732 | 1 | 7,355 | 1 |
| Total non-current assets | 159,825 | 11 | 143,332 | 10 | 86,482 | 6 |
| Total Assets | \$ 1,477,564 | 100 | 1,457,826 | 100 | 1,500,605 | 100 |

| | March 31,2018 | | December 31,2017 | | March 31,2017 | |
|---|---------------------|------------|------------------|------------|------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| Liabilities and equity | | | | | | |
| Current liabilities : | | | | | | |
| Current contract liabilities | \$ 8,798 | 1 | - | - | - | - |
| Notes payable | 1,591 | - | 385 | - | 2,244 | - |
| Accounts payable | 49,593 | 4 | 73,180 | 5 | 99,994 | 7 |
| Other payables | 122,433 | 8 | 140,856 | 10 | 110,260 | 7 |
| Current tax liabilities | 44,490 | 3 | 32,797 | 2 | 23,403 | 2 |
| Current provisions for employee benefits | 5,665 | - | 4,824 | - | 5,170 | - |
| Other current liabilities | 1,514 | - | 6,121 | 1 | 8,399 | 1 |
| Total current liabilities | 234,084 | 16 | 258,163 | 18 | 249,470 | 17 |
| Non-current liabilities : | | | | | | |
| Net defined benefit liabilities | 5,051 | - | 5,191 | - | 3,270 | - |
| Total non-current liabilities | 5,051 | - | 5,191 | - | 3,270 | - |
| Total liabilities | 239,135 | 16 | 263,354 | 18 | 252,740 | 17 |
| Equity attributable to owners of parent : | | | | | | |
| Ordinary share | 594,687 | 40 | 594,687 | 40 | 571,814 | 38 |
| Capital surplus : | | | | | | |
| Capital surplus, additional paid-in capital arising from ordinary share | 69,423 | 4 | 69,423 | 5 | 126,605 | 8 |
| Capital surplus, net assets from merger | 39,842 | 3 | 39,842 | 3 | 39,842 | 3 |
| Capital surplus, others | 514 | - | 514 | - | 514 | - |
| | 109,779 | 7 | 109,779 | 8 | 166,961 | 11 |
| Retained earnings : | | | | | | |
| Legal reserve | 209,193 | 14 | 209,193 | 14 | 189,429 | 13 |
| Unappropriated retained earnings (accumulated deficit) | 260,143 | 18 | 214,275 | 15 | 255,283 | 17 |
| | 469,336 | 32 | 423,468 | 29 | 444,712 | 30 |
| Other equity interest : | | | | | | |
| Exchange differences on translation of foreign operations | (255) | - | (24) | - | 183 | - |
| Total equity attributable to owners of parent | 1,173,547 | 79 | 1,127,910 | 77 | 1,183,670 | 79 |
| Non-controlling interests | 64,882 | 5 | 66,562 | 5 | 64,195 | 4 |
| Total equity | 1,238,429 | 84 | 1,194,472 | 82 | 1,247,865 | 83 |
| Total liabilities and equity | \$ 1,477,564 | 100 | 1,457,826 | 100 | 1,500,605 | 100 |

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2018 and 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

| | 2018 | | 2017 | |
|--|------------------|------------|----------------|------------|
| | Amount | % | Amount | % |
| Sales revenue | \$ 286,984 | 100 | 277,886 | 101 |
| Less : Sales returns | 186 | - | 589 | - |
| Sales discounts and allowances | 182 | - | 1,653 | 1 |
| Operating revenue | <u>286,616</u> | <u>100</u> | <u>275,644</u> | <u>100</u> |
| Cost of sales | 143,977 | 50 | 118,957 | 43 |
| Gross profit (loss) from operations | <u>142,639</u> | <u>50</u> | <u>156,687</u> | <u>57</u> |
| Operating expenses | | | | |
| Selling expenses | 13,848 | 5 | 13,588 | 5 |
| Administrative expenses | 12,885 | 5 | 13,281 | 5 |
| Research and development expenses | 60,784 | 21 | 63,136 | 23 |
| Total operating expenses | <u>87,517</u> | <u>31</u> | <u>90,005</u> | <u>33</u> |
| Net operating income (loss) | <u>55,122</u> | <u>19</u> | <u>66,682</u> | <u>24</u> |
| Non-operating income and expenses : | | | | |
| Other income | 2,784 | 1 | 2,355 | 1 |
| Other gains and losses, net | (7,860) | (3) | (10,650) | (4) |
| Total non-operating income and expenses | <u>(5,076)</u> | <u>(2)</u> | <u>(8,295)</u> | <u>(3)</u> |
| Profit (loss) before tax | 50,046 | 17 | 58,387 | 21 |
| Less : Tax expense (income) | 5,734 | 2 | 8,139 | 3 |
| Profit (loss) | <u>44,312</u> | <u>15</u> | <u>50,248</u> | <u>18</u> |
| Other comprehensive income : | | | | |
| Items that may be reclassified subsequently to profit or loss : | | | | |
| Exchange differences on translation of foreign operations | (355) | - | (1,260) | - |
| Income tax related to items that may be reclassified subsequently | - | - | - | - |
| Items that may be reclassified subsequently to profit or loss | <u>(355)</u> | <u>-</u> | <u>(1,260)</u> | <u>-</u> |
| Other comprehensive income, net | <u>(355)</u> | <u>-</u> | <u>(1,260)</u> | <u>-</u> |
| Comprehensive income | <u>\$ 43,957</u> | <u>15</u> | <u>48,988</u> | <u>18</u> |
| Profit (loss), attributable to : | | | | |
| Profit (loss), attributable to owners of parent | \$ 45,868 | 16 | 50,594 | 18 |
| Profit (loss), attributable to non-controlling interests | (1,556) | (1) | (346) | - |
| | <u>\$ 44,312</u> | <u>15</u> | <u>50,248</u> | <u>18</u> |
| Comprehensive income attributable to : | | | | |
| Comprehensive income, attributable to owners of parent | \$ 45,637 | 16 | 49,776 | 18 |
| Comprehensive income, attributable to non-controlling interests | (1,680) | (1) | (788) | - |
| | <u>\$ 43,957</u> | <u>15</u> | <u>48,988</u> | <u>18</u> |
| Earnings per share(NT Dollars) : | | | | |
| Basic earnings per share | \$ | 0.77 | \$ | 0.85 |
| Diluted earnings per share | \$ | 0.76 | \$ | 0.84 |

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the three months ended March 31, 2018 and 2017
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

| | 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 | Total equity attributable to owners of parent | | |
| 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 |
| Beginning balance, January 1, 2018 | \$ 594,687 | 109,779 | 209,193 | - | 214,275 | (24) | 1,127,910 | 66,562 | 1,194,472 |
| Profit for current period | - | - | - | - | 45,868 | - | 45,868 | (1,556) | 44,312 |
| Other comprehensive income for current period | - | - | - | - | - | (231) | (231) | (124) | (355) |
| Total comprehensive income | - | - | - | - | 45,868 | (231) | 45,637 | (1,680) | 43,957 |
| Ending Balance, March 31, 2018 | \$ 594,687 | 109,779 | 209,193 | - | 260,143 | (255) | 1,173,547 | 64,882 | 1,238,429 |

eGalax_eMPIA Technology Inc. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
For the three months ended March 31, 2018 and 2017
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

| | 2018 | 2017 |
|---|-------------------|-------------------|
| Cash flows from operating activities, indirect method : | | |
| Profit (loss) before tax | \$ 50,046 | \$ 58,387 |
| Adjustments : | | |
| Adjustments to reconcile profit (loss) : | | |
| Depreciation expense | 585 | 637 |
| Amortization expense | 8,337 | 2,667 |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | (175) | (117) |
| Interest income | (1,760) | (1,238) |
| Total adjustments to reconcile profit (loss) | 6,987 | 1,949 |
| Changes in operating assets and liabilities : | | |
| Changes in operating assets : | | |
| Decrease (increase) in notes receivable | (638) | (3,482) |
| Decrease (increase) in accounts receivable | 12,123 | 18,880 |
| Decrease (increase) in accounts receivable due from related parties | (4,367) | 5,307 |
| Decrease (increase) in other receivable | 46 | (456) |
| Decrease (increase) in inventories | 60,432 | (39,167) |
| Decrease (increase) in prepayments | (7,829) | (6,737) |
| Total changes in operating assets | 59,767 | (25,655) |
| Changes in operating liabilities : | | |
| Increase (decrease) in current contract liabilities | 3,662 | - |
| Increase (decrease) in notes payable | 1,206 | 2,244 |
| Increase (decrease) in accounts payable | (23,587) | (53,135) |
| Increase (decrease) in other payable | (18,255) | (13,883) |
| Increase (decrease) in provisions | 841 | 1,174 |
| Increase (decrease) in other current liabilities | 529 | (565) |
| Increase (decrease) in net defined benefit liabilities | (140) | (139) |
| Total changes in operating liabilities | (35,744) | (64,304) |
| Total changes in operating assets and liabilities | 24,023 | (89,959) |
| Total adjustments | 31,010 | (88,010) |
| Cash inflow (outflow) generated from operations | 81,056 | (29,623) |
| Interest received | 1,275 | 943 |
| Income taxes refund (paid) | (109) | (54) |
| Net cash flows from operating activities | 82,222 | (28,734) |
| Cash flows from investing activities : | | |
| Acquisition of property, plant and equipment | (438) | (629) |
| Decrease (Increase) in refundable deposits | (32) | 72 |
| Increase in other non-current assets | (19,045) | (3,410) |
| Net cash flows from investing activities | (19,515) | (3,967) |
| Effect of exchange rate changes on cash and cash equivalents | (355) | (1,252) |
| Net increase (decrease) in cash and cash equivalents | 62,352 | (33,953) |
| Cash and cash equivalents at beginning of period | 631,851 | 796,854 |
| Cash and cash equivalents at end of period | \$ 694,203 | \$ 762,901 |