

eGalax_eMPIA Technology Inc.
BALANCE SHEET
As of December 31, 2019, and December 31, 2018
(In Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018			December 31, 2019		December 31, 2018	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and equity				
Current assets :					Current liabilities :				
Cash and cash equivalents	\$ 503,620	37	478,045	37	Current contract liabilities	\$ 5,630	-	3,536	-
Current financial assets at fair value through profit or loss	141,394	10	141,145	11	Accounts payable	81,932	6	62,297	5
Notes receivable, net	3,062	-	1,451	-	Other payables	112,829	8	110,421	9
Accounts receivable, net	114,382	9	94,851	8	Current tax liabilities	21,244	2	24,657	2
Accounts receivable due from related parties, net	50,677	4	33,760	3	Current provisions for employee benefits	5,460	-	5,342	-
Other receivables	641	-	1,467	-	Current lease liabilities	14,637	1	-	-
Inventories	237,567	17	223,099	17	Other current liabilities	843	-	731	-
Prepayments	3,210	-	3,993	-	Total current liabilities	242,575	17	206,984	16
Other current financial assets	1,159	-	1,146	-	Non-current liabilities :				
Total current assets	1,055,712	77	978,957	76	Deferred tax liabilities	-	-	346	-
Non-current assets :					Lease liabilities	38,397	3	-	-
Non-current financial assets at amortized cost	100,000	7	100,000	8	Net defined benefit liabilities	8,248	1	6,734	-
Investments accounted for using equity method	126,554	9	169,637	13	Credit balance of investments accounted for using equity method	1,272	-	-	-
Property, plant and equipment	6,309	1	8,372	1	Total non-current liabilities	47,917	4	7,080	-
Right-of-use assets	52,846	4	-	-	Total liabilities	290,492	21	214,064	16
Deferred tax assets	9,432	1	15,368	1	Equity :				
Guarantee deposits paid	3,308	-	3,355	-	Ordinary share	594,687	43	594,687	46
Other non-current assets, others	18,091	1	18,889	1	Capital surplus :				
Total non-current assets	316,540	23	315,621	24	Capital surplus, additional paid-in capital arising from ordinary share	-	-	9,954	1
					Capital surplus, from share of changes in equity of subsidiaries	5,214	1	-	-
					Capital surplus, net assets from merger	31,955	2	39,842	3
					Capital surplus, others	514	-	514	-
					Total equity	37,683	3	50,310	4
					Retained earnings :				
					Legal reserve	249,843	18	230,075	18
					Special reserve	-	-	24	-
					Unappropriated retained earnings (accumulated deficit)	200,523	15	204,746	16
						450,366	33	434,845	34
					Other equity interest :				
					Exchange differences on translation of foreign operations	(976)	-	672	-
					Total equity	1,081,760	79	1,080,514	84
Total Assets	\$ 1,372,252	100	\$ 1,294,578	100	Total liabilities and equity	\$ 1,372,252	100	\$ 1,294,578	100

eGalax_eMPIA Technology Inc.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years ended December 31, 2019 and 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
Sales revenue	\$ 1,031,437	101	950,213	100
Less : Sales returns	559	-	1,848	-
Sales discounts and allowances	8,099	1	1,605	-
Operating revenue	<u>1,022,779</u>	<u>100</u>	<u>946,760</u>	<u>100</u>
Cost of sales	440,060	43	430,406	45
Gross profit (loss) from operations	<u>582,719</u>	<u>57</u>	<u>516,354</u>	<u>55</u>
Operating expenses				
Selling expenses	43,606	4	48,443	5
Administrative expenses	42,366	4	40,220	5
Research and development expenses	213,203	21	205,423	22
Total operating expenses	<u>299,175</u>	<u>29</u>	<u>294,086</u>	<u>32</u>
Net operating income (loss)	<u>283,544</u>	<u>28</u>	<u>222,268</u>	<u>23</u>
Non-operating income and expenses :				
Other income	7,976	1	7,338	1
Other gains and losses, net	(5,117)	(1)	7,140	1
Finance costs, net	(425)	-	-	-
Share of profit (loss) of subsidiaries.associates and joint ventures accounted for using equity method	(47,921)	(5)	(3,663)	-
Total non-operating income and expenses	<u>(45,487)</u>	<u>(5)</u>	<u>10,815</u>	<u>2</u>
Profit (loss) before tax	<u>238,057</u>	<u>23</u>	<u>233,083</u>	<u>25</u>
Less : Tax expense (income)	42,206	4	35,398	4
Profit (loss)	<u>195,851</u>	<u>19</u>	<u>197,685</u>	<u>21</u>
Other comprehensive income (loss) :				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(1,924)	-	(1,955)	-
Income tax related to items that will not be reclassified subsequently	-	-	-	-
	<u>(1,924)</u>	<u>-</u>	<u>(1,955)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(1,648)	-	696	-
Income tax related to items that may be reclassified subsequently	-	-	-	-
	<u>(1,648)</u>	<u>-</u>	<u>696</u>	<u>-</u>
Other comprehensive income, net	<u>(3,572)</u>	<u>-</u>	<u>(1,259)</u>	<u>-</u>
Comprehensive income	<u>\$ 192,279</u>	<u>19</u>	<u>196,426</u>	<u>21</u>
Earnings per share(NT Dollars) :				
Basic earnings per share	<u>\$</u>	<u>3.29</u>	<u>\$</u>	<u>3.32</u>
Diluted earnings per share	<u>\$</u>	<u>3.25</u>	<u>\$</u>	<u>3.28</u>

eGalax_eMPIA Technology Inc.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Years ended December 31, 2019 and 2018
(In Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Retained earnings			Other equity interest	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	
Beginning balance, January 1, 2018	\$ 594,687	109,779	209,193	-	214,275	(24)	1,127,910
Profit for current period	-	-	-	-	197,685	-	197,685
Other comprehensive income for current period	-	-	-	-	(1,955)	696	(1,259)
Total comprehensive income	-	-	-	-	195,730	696	196,426
Appropriation and distribution of retained earnings :							
Legal reserve appropriated	-	-	20,882	-	(20,882)	-	-
Special reserve appropriated	-	-	-	24	(24)	-	-
Cash dividends of ordinary share	-	-	-	-	(184,353)	-	(184,353)
Other changes in capital surplus :							
Cash dividends from capital surplus	-	(59,469)	-	-	-	-	(59,469)
Ending Balance, December 31, 2018	594,687	50,310	230,075	24	204,746	672	1,080,514
Profit for current period	-	-	-	-	195,851	-	195,851
Other comprehensive income for current period	-	-	-	-	(1,924)	(1,648)	(3,572)
Total comprehensive income	-	-	-	-	193,927	(1,648)	192,279
Appropriation and distribution of retained earnings :							
Legal reserve appropriated	-	-	19,768	-	(19,768)	-	-
Cash dividends of ordinary share	-	-	-	-	(178,406)	-	(178,406)
Reversal of special reserve	-	-	-	(24)	24	-	-
Other changes in capital surplus :							
Cash dividends from capital surplus	-	(17,841)	-	-	-	-	(17,841)
From share of changes in equity of subsidiaries	-	5,214	-	-	-	-	5,214
Ending Balance, December 31, 2019	\$ 594,687	37,683	249,843	-	200,523	(976)	1,081,760

eGalax_eMPIA Technology Inc.
STATEMENT OF CASH FLOW
For the Years ended December 31, 2019 and 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 238,057	233,083
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	18,129	3,119
Amortization expense	24,526	19,623
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(762)	(613)
Interest expense	425	-
Interest income	(5,259)	(5,456)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	47,921	3,663
Impairment loss on non-financial assets	3,843	-
Total adjustments to reconcile profit (loss)	88,823	20,336
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets at fair value through profit or loss	513	-
Decrease (increase) in notes receivable	(1,611)	1,870
Decrease (increase) in accounts receivable	(19,531)	9,412
Decrease (increase) in accounts receivable due from related parties	(16,917)	(19,686)
Decrease (increase) in other receivable	184	63
Decrease (increase) in inventories	(14,468)	123,912
Decrease (increase) in prepayments	783	(1,095)
Decrease (increase) in other financial assets	(13)	(12)
Total changes in operating assets	(51,060)	114,464
Changes in operating liabilities :		
Increase (decrease) in current contract liabilities	2,094	(296)
Increase (decrease) in notes payable	-	(386)
Increase (decrease) in accounts payable	19,635	(2,511)
Increase (decrease) in other payable	7,281	(2,109)
Increase (decrease) in provisions	118	518
Increase (decrease) in other current liabilities	112	(163)
Increase (decrease) in net defined benefit liabilities	(410)	(412)
Total changes in operating liabilities	28,830	(5,359)
Total changes in operating assets and liabilities	(22,230)	109,105
Total adjustments	66,593	129,441
Cash inflow (outflow) generated from operations	304,650	362,524
Interest received	5,901	4,918
Interest paid	(425)	-
Income taxes refund (paid)	(40,029)	(42,101)
Net cash flows from (used in) operating activities	270,097	325,341
Cash flows from (used in) investing activities :		
Acquisition of investments accounted for using equity method	-	(49,342)
Acquisition of property, plant and equipment	(5,187)	(8,061)
Decrease (Increase) in refundable deposits	47	41
Increase in other non-current assets	(28,601)	(29,091)
Net cash flows from (used in) investing activities	(33,741)	(86,453)
Cash flows from (used in) financing activities :		
Repayment of the principal portion of lease liabilities	(14,534)	-
Cash dividends paid	(196,247)	(243,822)
Net cash flows from (used in) financing activities	(210,781)	(243,822)
Net increase (decrease) in cash and cash equivalents	25,575	(4,934)
Cash and cash equivalents at beginning of period	478,045	482,979
Cash and cash equivalents at end of period	503,620	478,045