

eGalax_eMPIA Technology Inc.
BALANCE SHEET
As of December 31, 2018, and December 31, 2017
(In Thousands of New Taiwan Dollars)

Assets	December 31,2018		December 31,2017		Liabilities and equity	December 31,2018		December 31,2017	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets :					Current liabilities :				
Cash and cash equivalents	\$ 478,045	37	482,979	36	Current contract liabilities	\$ 3,536	-	-	-
Current financial assets at fair value through profit or loss	141,145	11	140,532	10	Notes payable	-	-	386	-
Notes receivable, net	1,451	-	3,321	-	Accounts payable	62,297	5	64,808	5
Accounts receivable, net	94,851	8	104,263	8	Other payables	110,421	9	109,655	8
Accounts receivable due from related parties, net	33,760	3	14,074	1	Current tax liabilities	24,657	2	31,448	3
Other receivables	1,467	-	992	-	Current provisions for employee benefits	5,342	-	4,824	-
Inventories	223,099	17	347,011	26	Other current liabilities	731	-	4,726	-
Prepayments	3,993	-	2,898	-	Total current liabilities	206,984	16	215,847	16
Other current financial assets	1,146	-	1,134	-	Non-current liabilities :				
Total current assets	978,957	76	1,097,204	81	Deferred tax liabilities	346	-	-	-
Non-current assets :					Net defined benefit liabilities	6,734	-	5,191	-
Non-current held-to-maturity financial assets, net	-	-	100,000	8	Total non-current liabilities	7,080	-	5,191	-
Non-current financial assets at amortised cost	100,000	8	-	-	Total liabilities	214,064	16	221,038	16
Investments accounted for using equity method	169,637	13	123,262	9	Equity :				
Property, plant and equipment	8,372	1	3,550	-	Ordinary share	594,687	46	594,687	44
Deferred tax assets	15,368	1	15,110	1	Capital surplus :				
Guarantee deposits paid	3,355	-	3,396	-	Capital surplus, additional paid-in capital arising from ordinary share	9,954	1	69,423	5
Other non-current assets, others	18,889	1	6,426	1	Capital surplus, net assets from merger	39,842	3	39,842	3
Total non-current assets	315,621	24	251,744	19	Capital surplus, others	514	-	514	-
						50,310	4	109,779	8
					Retained earnings :				
					Legal reserve	230,075	18	209,193	16
					Special reserve	24	-	-	-
					Unappropriated retained earnings (accumulated deficit)	204,746	16	214,275	16
						434,845	34	423,468	32
					Other equity interest :				
					Exchange differences on translation of foreign operations	672	-	(24)	-
					Total equity	1,080,514	84	1,127,910	84
Total Assets	<u>\$ 1,294,578</u>	<u>100</u>	<u>\$ 1,348,948</u>	<u>100</u>	Total liabilities and equity	<u>\$ 1,294,578</u>	<u>100</u>	<u>\$ 1,348,948</u>	<u>100</u>

eGalax_eMPIA Technology Inc.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years ended December 31, 2018 and 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
Sales revenue	\$ 950,213	100	1,014,527	101
Less : Sales returns	1,848	-	4,069	1
Sales discounts and allowances	1,605	-	2,106	-
Operating revenue	946,760	100	1,008,352	100
Cost of sales	430,406	45	478,288	47
Gross profit (loss) from operations	516,354	55	530,064	53
Operating expenses				
Selling expenses	48,443	5	44,780	4
Administrative expenses	40,220	5	38,343	4
Research and development expenses	205,423	22	209,626	21
Total operating expenses	294,086	32	292,749	29
Net operating income (loss)	222,268	23	237,315	24
Non-operating income and expenses :				
Other income	7,338	1	7,407	1
Other gains and losses, net	7,140	1	(9,296)	(1)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	(3,663)	-	3,949	-
Total non-operating income and expenses	10,815	2	2,060	-
Profit (loss) before tax	233,083	25	239,375	24
Less : Tax expense (income)	35,398	4	30,561	3
Profit (loss)	197,685	21	208,814	21
Other comprehensive income (loss) :				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(1,955)	-	(2,202)	-
Income tax related to items that will not be reclassified subsequently	-	-	-	-
	(1,955)	-	(2,202)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	696	-	(1,025)	-
Income tax related to items that may be reclassified subsequently	-	-	-	-
	696	-	(1,025)	-
Other comprehensive income, net	(1,259)	-	(3,227)	-
Comprehensive income	\$ 196,426	21	205,587	21
Earnings per share(NT Dollars) :				
Basic earnings per share	\$	3.32		3.51
Diluted earnings per share	\$	3.28		3.48

eGalax_eMPIA Technology Inc.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Years ended December 31, 2018 and 2017
(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, 2017	\$ 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)
Other changes in capital surplus :							
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
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)	-	-
Reversal of special reserve	-	-	-	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

eGalax_eMPIA Technology Inc.
STATEMENT OF CASH FLOW
For the Years ended December 31, 2018 and 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from operating activities, indirect method :		
Profit (loss) before tax	\$ 233,083	239,375
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	3,119	2,049
Amortization expense	19,623	7,982
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(613)	(502)
Interest income	(5,456)	(4,081)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	3,663	(3,949)
Total adjustments to reconcile profit (loss)	20,336	1,499
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in financial assets held for trading	-	(12,000)
Decrease (increase) in notes receivable	1,870	(2,446)
Decrease (increase) in accounts receivable	9,412	6,983
Decrease (increase) in accounts receivable due from related parties	(19,686)	11,612
Decrease (increase) in other receivable	63	(166)
Decrease (increase) in inventories	123,912	(39,065)
Decrease (increase) in prepayments	(1,095)	3,028
Decrease (increase) in other financial assets	(12)	(12)
Total changes in operating assets	114,464	(32,066)
Changes in operating liabilities :		
Increase (decrease) in current contract liabilities	(296)	-
Increase (decrease) in notes payable	(386)	386
Increase (decrease) in accounts payable	(2,511)	(83,936)
Increase (decrease) in other payable	(2,109)	739
Increase (decrease) in provisions	518	828
Increase (decrease) in other current liabilities	(163)	(1,245)
Increase (decrease) in net defined benefit liabilities	(412)	(420)
Total changes in operating liabilities	(5,359)	(83,648)
Total changes in operating assets and liabilities	109,105	(115,714)
Total adjustments	129,441	(114,215)
Cash inflow (outflow) generated from operations	362,524	125,160
Interest received	4,918	3,611
Income taxes refund (paid)	(42,101)	(14,634)
Net cash flows from (used in) operating activities	325,341	114,137
Cash flows from (used in) investing activities :		
Acquisition of held-to-maturity financial assets	-	(50,000)
Acquisition of investments accounted for using equity method	(49,342)	-
Acquisition of property, plant and equipment	(8,061)	(1,821)
Decrease (Increase) in refundable deposits	41	21
Increase in other non-current assets	(29,091)	(7,120)
Net cash flows from (used in) investing activities	(86,453)	(58,920)
Cash flows from (used in) financing activities :		
Cash dividends paid	(243,822)	(211,571)
Net cash flows from (used in) financing activities	(243,822)	(211,571)
Net increase (decrease) in cash and cash equivalents	(4,934)	(156,354)
Cash and cash equivalents at beginning of period	482,979	639,333
Cash and cash equivalents at end of period	478,045	482,979