

# eMemory Technology Inc. and Subsidiary

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)			June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>ASSETS</b>							<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$3,226,759	79	\$2,482,765	78	\$2,356,696	76	Contract liabilities - current	\$ 88,565	2	\$ 76,943	3	\$ 71,332	2
Accounts receivable - net	201,156	5	102,669	3	113,656	4	Other payables	155,034	4	152,271	5	105,014	4
Other receivables	293	-	5,271	-	9,063	-	Other payables - related parties	30	-	-	-	90	-
Other receivables - related parties	-	-	-	-	390	-	Bonuses payable to employees and directors	376,934	9	254,989	8	252,381	8
Prepayments	40,169	1	27,260	1	52,397	2	Payables on equipment	9,759	-	9,763	-	6,656	-
Other current assets	7,713	-	3,854	-	3,038	-	Dividends payable	1,043,829	26	-	-	670,551	22
Total current assets	<u>3,476,090</u>	<u>85</u>	<u>2,621,819</u>	<u>82</u>	<u>2,535,240</u>	<u>82</u>	Current tax liabilities	102,148	2	140,661	4	66,700	2
							Lease liabilities - current	3,266	-	3,230	-	1,540	-
<b>NON-CURRENT ASSETS</b>							Other current liabilities	1,688	-	1,928	-	2,032	-
Financial assets at fair value through other comprehensive income - noncurrent	14,836	-	16,130	1	12,504	1	Total current liabilities	<u>1,781,253</u>	<u>43</u>	<u>639,785</u>	<u>20</u>	<u>1,176,296</u>	<u>38</u>
Financial assets at amortized cost - noncurrent	116	-	116	-	114	-							
Investment accounted for using the equity method	15,692	1	3,083	-	4,219	-	<b>NON-CURRENT LIABILITIES</b>						
Property, plant and equipment	466,774	12	460,310	15	458,526	15	Lease liabilities - noncurrent	3,895	-	5,532	-	3,442	-
Right-of-use assets	7,065	-	8,686	-	4,921	-	Net defined benefit liabilities - noncurrent	18,804	1	19,190	1	20,840	1
Intangible assets	86,004	2	72,436	2	74,083	2	Guarantee deposits received	10	-	10	-	530	-
Deferred tax assets	2,556	-	4,257	-	2,978	-	Total non-current liabilities	<u>22,709</u>	<u>1</u>	<u>24,732</u>	<u>1</u>	<u>24,812</u>	<u>1</u>
Prepayments for equipment	-	-	-	-	3,300	-	Total liabilities	<u>1,803,962</u>	<u>44</u>	<u>664,517</u>	<u>21</u>	<u>1,201,108</u>	<u>39</u>
Refundable deposits	458	-	471	-	429	-	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>						
Total non-current assets	<u>593,501</u>	<u>15</u>	<u>565,489</u>	<u>18</u>	<u>561,074</u>	<u>18</u>	Ordinary shares	<u>761,272</u>	<u>19</u>	<u>761,235</u>	<u>24</u>	<u>760,798</u>	<u>25</u>
							Capital surplus	<u>214,726</u>	<u>5</u>	<u>303,181</u>	<u>10</u>	<u>286,574</u>	<u>9</u>
							Retained earnings						
							Legal reserve	635,956	16	526,270	16	526,270	17
							Special reserve	30,985	1	60,101	2	60,101	2
							Unappropriated earnings	<u>1,022,196</u>	<u>25</u>	<u>1,259,813</u>	<u>40</u>	<u>723,616</u>	<u>23</u>
							Total retained earnings	<u>1,689,137</u>	<u>42</u>	<u>1,846,184</u>	<u>58</u>	<u>1,309,987</u>	<u>42</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	213	-	( 112)	-	( 94)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 32,168)	( 1)	( 30,874)	( 1)	( 64,000)	( 2)
							Total other equity	( 31,955)	( 1)	( 30,986)	( 1)	( 64,094)	( 2)
							Treasury shares	( 404,238)	( 10)	( 404,238)	( 13)	( 404,238)	( 13)
							Total equity attributable to shareholders of the Company	2,228,942	55	2,475,376	78	1,889,027	61
							<b>NON-CONTROLLING INTERESTS</b>						
								<u>36,687</u>	<u>1</u>	<u>47,415</u>	<u>1</u>	<u>6,179</u>	<u>-</u>
							Total equity	<u>2,265,629</u>	<u>56</u>	<u>2,522,791</u>	<u>79</u>	<u>1,895,206</u>	<u>61</u>
<b>TOTAL</b>	<u>\$4,069,591</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$3,096,314</u>	<u>100</u>	<b>TOTAL</b>	<u>\$4,069,591</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$3,096,314</u>	<u>100</u>

## eMemory Technology Inc. and Subsidiary

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 796,292	100	\$ 541,415	100	\$ 1,523,399	100	\$ 1,138,149	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	<u>796,292</u>	<u>100</u>	<u>541,415</u>	<u>100</u>	<u>1,523,399</u>	<u>100</u>	<u>1,138,149</u>	<u>100</u>
OPERATING EXPENSES								
Selling and marketing expenses	49,475	6	37,458	7	95,203	7	74,539	6
General and administrative expenses	68,595	9	59,349	11	139,930	9	122,652	11
Research and development expenses	214,538	27	165,351	31	412,455	27	331,346	29
Expected credit loss (gain)	<u>3,589</u>	-	<u>( 3,457)</u>	<u>( 1)</u>	<u>2,455</u>	-	<u>( 10,813)</u>	<u>( 1)</u>
Total operating expenses	<u>336,197</u>	<u>42</u>	<u>258,701</u>	<u>48</u>	<u>650,043</u>	<u>43</u>	<u>517,724</u>	<u>45</u>
OPERATING INCOME	<u>460,095</u>	<u>58</u>	<u>282,714</u>	<u>52</u>	<u>873,356</u>	<u>57</u>	<u>620,425</u>	<u>55</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,751	-	2,051	-	4,899	-	3,877	-
Other income	372	-	1,338	-	745	-	2,449	-
Other gains and losses	12,956	2	( 2,390)	-	25,996	2	2,135	-
Finance costs	( 38)	-	( 27)	-	( 80)	-	( 49)	-
Share of loss of associates	<u>( 816)</u>	-	<u>( 536)</u>	-	<u>( 1,495)</u>	-	<u>( 1,346)</u>	-
Total non-operating income and expenses	<u>15,225</u>	<u>2</u>	<u>436</u>	-	<u>30,065</u>	<u>2</u>	<u>7,066</u>	-
PROFIT BEFORE INCOME TAX	475,320	60	283,150	52	903,421	59	627,491	55
INCOME TAX EXPENSE	<u>65,579</u>	<u>8</u>	<u>41,240</u>	<u>7</u>	<u>131,442</u>	<u>8</u>	<u>94,147</u>	<u>8</u>
NET PROFIT	<u>409,741</u>	<u>52</u>	<u>241,910</u>	<u>45</u>	<u>771,979</u>	<u>51</u>	<u>533,344</u>	<u>47</u>

(Continued)

# eMemory Technology Inc. and Subsidiary

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,057	-	19,610	3	( 1,294)	-	20,030	2
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	252	-	( 82)	-	374	-	( 74)	-
Share of the other comprehensive loss of associates accounted for using the equity method	<u>7</u>	-	<u>-</u>	-	<u>5</u>	-	<u>-</u>	-
Other comprehensive income (loss)	<u>1,316</u>	-	<u>19,528</u>	<u>3</u>	<u>( 915)</u>	-	<u>19,956</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$411,057</u>	<u>52</u>	<u>\$261,438</u>	<u>48</u>	<u>\$771,064</u>	<u>51</u>	<u>\$553,300</u>	<u>49</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$408,924	52	\$243,731	45	\$774,943	51	\$536,713	47
Non-controlling interests	<u>817</u>	-	<u>( 1,821)</u>	-	<u>( 2,964)</u>	-	<u>( 3,369)</u>	-
	<u>\$409,741</u>	<u>52</u>	<u>\$241,910</u>	<u>45</u>	<u>\$771,979</u>	<u>51</u>	<u>\$533,344</u>	<u>47</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$410,210	52	\$263,266	48	\$773,974	51	\$556,675	49
Non-controlling interests	<u>847</u>	-	<u>( 1,828)</u>	-	<u>( 2,910)</u>	-	<u>( 3,375)</u>	-
	<u>\$411,057</u>	<u>52</u>	<u>\$261,438</u>	<u>48</u>	<u>\$771,064</u>	<u>51</u>	<u>\$553,300</u>	<u>49</u>
EARNINGS PER SHARE								
Basic	<u>\$ 5.48</u>		<u>\$ 3.27</u>		<u>\$ 10.39</u>		<u>\$ 7.20</u>	
Diluted	<u>\$ 5.47</u>		<u>\$ 3.26</u>		<u>\$ 10.35</u>		<u>\$ 7.18</u>	

(Concluded)

# eMemory Technology Inc. and Subsidiary

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Company							Other Equity		Treasury Shares	Total	Non-Controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	Legal Reserve	Retained Earnings			Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Number of Shares (In Thousands)	Amount			Special Reserve	Unappropriated Earnings	Total						
BALANCE, JANUARY 1, 2021	76,060	\$ 760,592	\$ 391,907	\$ 455,518	\$ 65,586	\$ 787,007	\$1,308,111	(\$ 26)	(\$ 60,075)	(\$ 404,238)	\$1,996,271	\$ 9,372	\$2,005,643
Appropriation of 2020 earnings													
Legal reserve	-	-	-	70,752	-	( 70,752 )	-	-	-	-	-	-	-
Special reserve	-	-	-	-	( 5,485 )	5,485	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 558,792 )	( 558,792 )	-	-	-	( 558,792 )	-	( 558,792 )
Changes in percentage of ownership interests in subsidiaries	-	-	17	-	-	-	-	-	-	-	17	( 17 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	48	-	-	-	-	-	-	-	48	-	48
Issuance of cash dividends from capital surplus	-	-	( 111,759 )	-	-	-	-	-	-	-	( 111,759 )	-	( 111,759 )
Net profit (loss) for the six months ended June 30, 2021	-	-	-	-	-	536,713	536,713	-	-	-	536,713	( 3,369 )	533,344
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	-	( 68 )	20,030	-	19,962	( 6 )	19,956
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	536,713	536,713	( 68 )	20,030	-	556,675	( 3,375 )	553,300
Issuance of ordinary shares under employee share options	20	206	6,361	-	-	-	-	-	-	-	6,567	166	6,733
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	33	33
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	23,955	23,955	-	( 23,955 )	-	-	-	-
BALANCE, JUNE 30, 2021	<u>76,080</u>	<u>\$ 760,798</u>	<u>\$ 286,574</u>	<u>\$ 526,270</u>	<u>\$ 60,101</u>	<u>\$ 723,616</u>	<u>\$1,309,987</u>	<u>(\$ 94)</u>	<u>(\$ 64,000)</u>	<u>(\$ 404,238)</u>	<u>\$1,889,027</u>	<u>\$ 6,179</u>	<u>\$1,895,206</u>
BALANCE, JANUARY 1, 2022	76,124	\$ 761,235	\$ 303,181	\$ 526,270	\$ 60,101	\$1,259,813	\$1,846,184	(\$ 112)	(\$ 30,874)	(\$ 404,238)	\$2,475,376	\$ 47,415	\$2,522,791
Appropriation of 2021 earnings													
Legal reserve	-	-	-	109,686	-	( 109,686 )	-	-	-	-	-	-	-
Special reserve	-	-	-	-	( 29,116 )	29,116	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 931,990 )	( 931,990 )	-	-	-	( 931,990 )	-	( 931,990 )
Changes in percentage of ownership interests in subsidiaries	-	-	8,128	-	-	-	-	-	-	-	8,128	( 8,128 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	14,099	-	-	-	-	-	-	-	14,099	-	14,099
Issuance of cash dividends from capital surplus	-	-	( 111,839 )	-	-	-	-	-	-	-	( 111,839 )	-	( 111,839 )
Net profit (loss) for the six months ended June 30, 2022	-	-	-	-	-	774,943	774,943	-	-	-	774,943	( 2,964 )	771,979
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	-	325	( 1,294 )	-	( 969 )	54	( 915 )
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	774,943	774,943	325	( 1,294 )	-	773,974	( 2,910 )	771,064
Issuance of ordinary shares under employee share options	3	37	1,157	-	-	-	-	-	-	-	1,194	224	1,418
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	86	86
BALANCE, JUNE 30, 2022	<u>76,127</u>	<u>\$ 761,272</u>	<u>\$ 214,726</u>	<u>\$ 635,956</u>	<u>\$ 30,985</u>	<u>\$1,022,196</u>	<u>\$1,689,137</u>	<u>\$ 213</u>	<u>(\$ 32,168)</u>	<u>(\$ 404,238)</u>	<u>\$2,228,942</u>	<u>\$ 36,687</u>	<u>\$2,265,629</u>

## eMemory Technology Inc. and Subsidiary

### CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	<b>For the Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 903,421	\$ 627,491
Adjustments for:		
Depreciation expenses	19,218	20,456
Amortization expenses	15,137	9,034
Expected credit loss (gain)	2,455	( 10,813)
Finance costs	80	49
Interest income	( 4,899)	( 3,877)
Dividend income	-	( 226)
Share-based payments	86	33
Share of loss of associates	1,495	1,346
Net (gain) loss on foreign currency exchange	( 12,342)	3,505
Changes in operating assets and liabilities		
Accounts receivable	( 95,749)	12,266
Other receivables	5,118	( 8,916)
Other receivables - related parties	-	( 113)
Prepayments	( 12,879)	( 28,686)
Other current assets	( 3,859)	224
Contract liabilities	11,622	20,530
Other payables	2,766	( 31,568)
Other payables- related parties	30	90
Other current liabilities	( 240)	( 102)
Net defined benefit liabilities	( 386)	( 393)
Bonuses payable to employees and directors	<u>121,945</u>	<u>87,984</u>
Cash generated from operations	953,019	698,314
Interest received	4,759	3,835
Income tax paid	( <u>168,284</u> )	( <u>114,099</u> )
Net cash generated from operating activities	<u>789,494</u>	<u>588,050</u>

(Continued)

# eMemory Technology Inc. and Subsidiary

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ -	\$ 28,563
Acquisition of property, plant and equipment	( 24,058 )	( 8,875 )
Increase in refundable deposits	-	( 71 )
Decrease in refundable deposits	13	-
Acquisition of intangible assets	( 28,705 )	( 6,303 )
Increase in prepayments for equipment	-	( 3,250 )
Dividends received	-	226
Net cash (used in) generated from investing activities	<u>( 52,750 )</u>	<u>10,290</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	( 1,608 )	( 1,192 )
Exercise of employee share options	1,418	6,733
Interest paid	( 80 )	( 49 )
Net cash (used in) generated from financing activities	<u>( 270 )</u>	<u>5,492</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>7,520</u>	<u>( 1,247 )</u>
NET INCREASE IN CASH	743,994	602,585
CASH AT THE BEGINNING OF THE PERIOD	<u>2,482,765</u>	<u>1,754,111</u>
CASH AT THE END OF THE PERIOD	<u>\$ 3,226,759</u>	<u>\$ 2,356,696</u>

(Concluded)