

# eMemory Technology Inc. and Subsidiary

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

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)			March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>ASSETS</b>							<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$2,078,580	74	\$1,754,111	71	\$1,530,426	68	Contract liabilities - current	\$ 59,669	2	\$ 50,802	2	\$ 43,005	2
Accounts receivable - net	89,004	3	117,449	5	108,376	5	Other payables	112,323	4	136,590	5	87,170	4
Accounts receivable - related parties	28,535	1	-	-	-	-	Other payables - related parties	-	-	-	-	40	-
Other receivables	4,641	-	105	-	171	-	Bonuses payable to employees and directors	196,081	7	164,397	7	136,743	6
Other receivables - related parties	425	-	277	-	389	-	Payables on equipment	503	-	5,134	-	6,215	-
Prepayments	45,087	2	23,711	1	50,821	2	Current tax liabilities	123,337	4	87,696	4	81,533	4
Other current assets	3,159	-	3,262	-	3,897	-	Lease liabilities - current	1,534	-	1,340	-	3,002	-
Total current assets	<u>2,249,431</u>	<u>80</u>	<u>1,898,915</u>	<u>77</u>	<u>1,694,080</u>	<u>75</u>	Other current liabilities	<u>2,252</u>	<u>-</u>	<u>2,134</u>	<u>-</u>	<u>6,363</u>	<u>-</u>
							Total current liabilities	<u>495,699</u>	<u>17</u>	<u>448,093</u>	<u>18</u>	<u>364,071</u>	<u>16</u>
<b>NON-CURRENT ASSETS</b>							<b>NON-CURRENT LIABILITIES</b>						
Financial assets at fair value through other comprehensive income - noncurrent	21,457	1	21,037	1	15,948	1	Lease liabilities - noncurrent	3,829	-	2,073	-	3,631	-
Financial assets at amortized cost - noncurrent	114	-	114	-	113	-	Net defined benefit liabilities - noncurrent	21,038	1	21,233	1	21,229	1
Investment accounted for using equity method	4,707	-	5,517	-	4,444	-	Guarantee deposits received	<u>530</u>	<u>-</u>	<u>530</u>	<u>-</u>	<u>530</u>	<u>-</u>
Property, plant and equipment	461,318	16	467,393	19	473,370	21	Total non-current liabilities	<u>25,397</u>	<u>1</u>	<u>23,836</u>	<u>1</u>	<u>25,390</u>	<u>1</u>
Right-of-use assets	5,307	-	3,352	-	6,553	-	Total liabilities	<u>521,096</u>	<u>18</u>	<u>471,929</u>	<u>19</u>	<u>389,461</u>	<u>17</u>
Intangible assets	75,559	3	76,814	3	72,583	3							
Deferred tax assets	2,937	-	4,022	-	2,333	-	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>						
Prepayments for equipment	3,300	-	50	-	-	-	Ordinary shares	<u>760,778</u>	<u>27</u>	<u>760,592</u>	<u>31</u>	<u>758,336</u>	<u>34</u>
Refundable deposits	<u>428</u>	<u>-</u>	<u>358</u>	<u>-</u>	<u>349</u>	<u>-</u>	Capital surplus	<u>397,656</u>	<u>14</u>	<u>391,907</u>	<u>16</u>	<u>405,547</u>	<u>18</u>
Total non-current assets	<u>575,127</u>	<u>20</u>	<u>578,657</u>	<u>23</u>	<u>575,693</u>	<u>25</u>	Retained earnings						
							Legal reserve	455,518	16	455,518	18	401,471	17
							Special reserve	65,586	3	65,586	3	61,932	3
							Unappropriated earnings	<u>1,079,989</u>	<u>38</u>	<u>787,007</u>	<u>32</u>	<u>722,411</u>	<u>32</u>
							Total retained earnings	<u>1,601,093</u>	<u>57</u>	<u>1,308,111</u>	<u>53</u>	<u>1,185,814</u>	<u>52</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	( 19)	-	( 26)	-	( 5)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 59,655)	( 2)	( 60,075)	( 3)	( 65,164)	( 3)
							Total other equity	( 59,674)	( 2)	( 60,101)	( 3)	( 65,169)	( 3)
							Treasury shares	( 404,238)	( 14)	( 404,238)	( 16)	( 404,238)	( 18)
							Total equity attributable to shareholders of the Company	2,295,615	82	1,996,271	81	1,880,290	83
							<b>NON-CONTROLLING INTERESTS</b>	<u>7,847</u>	<u>-</u>	<u>9,372</u>	<u>-</u>	<u>22</u>	<u>-</u>
							Total equity	<u>2,303,462</u>	<u>82</u>	<u>2,005,643</u>	<u>81</u>	<u>1,880,312</u>	<u>83</u>
<b>TOTAL</b>	<u>\$2,824,558</u>	<u>100</u>	<u>\$2,477,572</u>	<u>100</u>	<u>\$2,269,773</u>	<u>100</u>	<b>TOTAL</b>	<u>\$2,824,558</u>	<u>100</u>	<u>\$2,477,572</u>	<u>100</u>	<u>\$2,269,773</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)

	Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 596,734	100	\$ 415,436	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	596,734	100	415,436	100
OPERATING EXPENSES				
Selling and marketing expenses	37,081	6	29,520	7
General and administrative expenses	63,303	10	48,343	12
Research and development expenses	165,995	28	145,693	35
Expected credit gain	(7,356)	(1)	(2,093)	(1)
Total operating expenses	259,023	43	221,463	53
OPERATING INCOME	337,711	57	193,973	47
NON-OPERATING INCOME AND EXPENSES				
Interest income	1,826	-	2,400	1
Other income	1,111	-	1,188	-
Other gains and losses	4,525	1	5,767	1
Finance costs	(22)	-	(34)	-
Share of loss of associates	(810)	-	(938)	-
Total non-operating income and expenses	6,630	1	8,383	2
PROFIT BEFORE INCOME TAX	344,341	58	202,356	49
INCOME TAX EXPENSE	52,907	9	25,598	6
NET PROFIT	291,434	49	176,758	43

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## eMemory Technology Inc. and Subsidiary

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

	Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 420	-	\$ 418	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	8	-	-	-
Share of the other comprehensive loss of associates accounted for using the equity method	-	-	(1)	-
Other comprehensive income	428	-	417	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 291,862</u>	<u>49</u>	<u>\$ 177,175</u>	<u>43</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 292,982	49	\$ 176,758	43
Non-controlling interests	(1,548)	-	-	-
	<u>\$ 291,434</u>	<u>49</u>	<u>\$ 176,758</u>	<u>43</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 293,409	49	\$ 177,175	43
Non-controlling interests	(1,547)	-	-	-
	<u>\$ 291,862</u>	<u>49</u>	<u>\$ 177,175</u>	<u>43</u>
EARNINGS PER SHARE				
Basic	<u>\$ 3.93</u>		<u>\$ 2.38</u>	
Diluted	<u>\$ 3.92</u>		<u>\$ 2.37</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	Retained Earnings			Total	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		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE, JANUARY 1, 2020	75,834	\$ 758,336	\$ 404,446	\$ 401,471	\$ 61,932	\$ 545,653	\$1,009,056	(\$ 4)	(\$ 65,582)	(\$ 404,238)	\$1,702,014	\$ -	\$1,702,014
Changes in percentage of ownership interests in subsidiaries	-	-	15	-	-	-	-	-	-	-	15	( 15)	-
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	1	-	-	-	-	-	-	-	1	-	1
Net profit for the three months ended March 31, 2020	-	-	-	-	-	176,758	176,758	-	-	-	176,758	-	176,758
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	-	( 1)	418	-	417	-	417
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	176,758	176,758	( 1)	418	-	177,175	-	177,175
Share-based payments	-	-	1,085	-	-	-	-	-	-	-	1,085	37	1,122
BALANCE, MARCH 31, 2020	75,834	\$ 758,336	\$ 405,547	\$ 401,471	\$ 61,932	\$ 722,411	\$1,185,814	(\$ 5)	(\$ 65,164)	(\$ 404,238)	\$1,880,290	\$ 22	\$1,880,312
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
Changes in percentage of ownership interests in subsidiaries	-	-	5	-	-	-	-	-	-	-	5	( 5)	-
Net profit for the three months ended March 31, 2021	-	-	-	-	-	292,982	292,982	-	-	-	292,982	( 1,548)	291,434
Other comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	-	-	7	420	-	427	1	428
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	292,982	292,982	7	420	-	293,409	( 1,547)	291,862
Issuance of ordinary shares under employee share options	18	186	5,744	-	-	-	-	-	-	-	5,930	-	5,930
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	20	20
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	7	7
BALANCE, MARCH 31, 2021	76,078	\$ 760,778	\$ 397,656	\$ 455,518	\$ 65,586	\$1,079,989	\$1,601,093	(\$ 19)	(\$ 59,655)	(\$ 404,238)	\$2,295,615	\$ 7,847	\$2,303,462

## eMemory Technology Inc. and Subsidiary

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 344,341	\$ 202,356
Adjustments for:		
Depreciation expenses	10,351	10,222
Amortization expenses	4,446	3,810
Expected credit gain	( 7,356)	( 2,093)
Finance costs	22	34
Interest income	( 1,826)	( 2,400)
Share-based payments	20	1,122
Share of loss of associates	810	938
Net loss (gain) on foreign currency exchange	1,125	( 1,419)
Changes in operating assets and liabilities		
Accounts receivable	34,588	21,631
Accounts receivable - related parties	( 28,470)	-
Other receivables	( 4,493)	1,691
Other receivables - related parties	( 148)	21
Prepayments	( 21,376)	( 23,614)
Other current assets	103	378
Contract liabilities	8,867	10,168
Other payables	( 24,391)	6,222
Other payables- related parties	-	40
Other current liabilities	118	4,632
Net defined benefit liabilities	( 195)	( 155)
Bonuses payable to employees and directors	31,684	11,623
Cash generated from operations	348,220	245,207
Interest received	1,783	2,467
Income tax paid	( 16,181)	( 7,275)
Net cash generated from operating activities	<u>333,822</u>	<u>240,399</u>

(Continued)

## eMemory Technology Inc. and Subsidiary

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at amortized cost	\$ -	\$ 33,500
Acquisition of property, plant and equipment	( 8,203 )	( 4,280 )
Increase in refundable deposits	( 70 )	-
Acquisition of intangible assets	( 3,191 )	( 2,588 )
Increase in prepayments for equipment	( 3,250 )	-
Net cash (used in) generated from investing activities	( 14,714 )	26,632
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	( 709 )	( 780 )
Exercise of employee share options	5,930	-
Increase in non-controlling interests	7	-
Interest paid	( 22 )	( 34 )
Net cash generated from (used in) financing activities	5,206	814
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	155	351
<b>NET INCREASE IN CASH</b>	<b>324,469</b>	<b>266,568</b>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>1,754,111</b>	<b>1,263,858</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>\$ 2,078,580</b>	<b>\$ 1,530,426</b>

(Concluded)