

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			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$541,415	100	\$423,276	100	\$1,138,149	100	\$838,712	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	<u>541,415</u>	<u>100</u>	<u>423,276</u>	<u>100</u>	<u>1,138,149</u>	<u>100</u>	<u>838,712</u>	<u>100</u>
OPERATING EXPENSES								
Selling and marketing expenses	37,458	7	30,862	7	74,539	6	60,382	7
General and administrative expenses	59,349	11	47,920	12	122,652	11	96,263	11
Research and development expenses	165,351	31	143,985	34	331,346	29	289,678	35
Expected credit (gain) loss	(3,457)	(1)	4,597	1	(10,813)	(1)	2,504	-
Total operating expenses	<u>258,701</u>	<u>48</u>	<u>227,364</u>	<u>54</u>	<u>517,724</u>	<u>45</u>	<u>448,827</u>	<u>53</u>
OPERATING INCOME	<u>282,714</u>	<u>52</u>	<u>195,912</u>	<u>46</u>	<u>620,425</u>	<u>55</u>	<u>389,885</u>	<u>47</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,051	-	2,279	1	3,877	-	4,679	-
Other income	1,338	-	1,191	-	2,449	-	2,379	-
Other gains and losses	(2,390)	-	291	-	2,135	-	6,058	1
Finance costs	(27)	-	(30)	-	(49)	-	(64)	-
Share of loss of associates	(536)	-	(911)	-	(1,346)	-	(1,849)	-
Total non-operating income and expenses	<u>436</u>	<u>-</u>	<u>2,820</u>	<u>1</u>	<u>7,066</u>	<u>-</u>	<u>11,203</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	283,150	52	198,732	47	627,491	55	401,088	48
INCOME TAX EXPENSE	<u>41,240</u>	<u>7</u>	<u>29,415</u>	<u>7</u>	<u>94,147</u>	<u>8</u>	<u>55,013</u>	<u>7</u>
NET PROFIT	<u>241,910</u>	<u>45</u>	<u>169,317</u>	<u>40</u>	<u>533,344</u>	<u>47</u>	<u>346,075</u>	<u>41</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			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
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	\$ 19,610	3	\$ 954	-	\$ 20,030	2	\$ 1,372	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	(82)	-	-	-	(74)	-	-	-
Share of the other comprehensive loss of associates accounted for using the equity method	-	-	(1)	-	-	-	(2)	-
Other comprehensive income (loss)	<u>19,528</u>	<u>3</u>	<u>953</u>	<u>-</u>	<u>19,956</u>	<u>2</u>	<u>1,370</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$261,438</u>	<u>48</u>	<u>\$170,270</u>	<u>40</u>	<u>\$553,300</u>	<u>49</u>	<u>\$347,445</u>	<u>41</u>
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of the Company	\$243,731	45	\$169,317	40	\$536,713	47	\$346,075	41
Non-controlling interests	(1,821)	-	-	-	(3,369)	-	-	-
	<u>\$241,910</u>	<u>45</u>	<u>\$169,317</u>	<u>40</u>	<u>\$533,344</u>	<u>47</u>	<u>\$346,075</u>	<u>41</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$263,266	48	\$170,270	40	\$556,675	49	\$347,445	41
Non-controlling interests	(1,828)	-	-	-	(3,375)	-	-	-
	<u>\$261,438</u>	<u>48</u>	<u>\$170,270</u>	<u>40</u>	<u>\$553,300</u>	<u>49</u>	<u>\$347,445</u>	<u>41</u>
EARNINGS PER SHARE								
Basic	<u>\$ 3.27</u>		<u>\$ 2.28</u>		<u>\$ 7.20</u>		<u>\$ 4.66</u>	
Diluted	<u>\$ 3.26</u>		<u>\$ 2.27</u>		<u>\$ 7.18</u>		<u>\$ 4.64</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			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	Treasury Shares			
	Number of Shares (In Thousands)	Amount			Special Reserve	Unappropriated Earnings	Total						
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
Appropriation of 2019 earnings													
Legal reserve	-	-	-	54,047	-	(54,047)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	3,654	(3,654)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(408,466)	(408,466)	-	-	-	(408,466)	-	(408,466)
Changes in percentage of ownership interests in subsidiaries	-	-	32	-	-	-	-	-	-	-	32	(32)	-
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	2	-	-	-	-	-	-	-	2	-	2
Issuance of cash dividends from capital surplus	-	-	(111,400)	-	-	-	-	-	-	-	(111,400)	-	(111,400)
Net profit for the six months ended June 30, 2020	-	-	-	-	-	346,075	346,075	-	-	-	346,075	-	346,075
Other comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	-	-	(2)	1,372	-	1,370	-	1,370
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	346,075	346,075	(2)	1,372	-	347,445	-	347,445
Share-based payments	-	-	1,085	-	-	-	-	-	-	-	1,085	77	1,162
BALANCE, JUNE 30, 2020	<u>75,834</u>	<u>\$ 758,336</u>	<u>\$ 294,165</u>	<u>\$ 455,518</u>	<u>\$ 65,586</u>	<u>\$ 425,561</u>	<u>\$ 946,665</u>	<u>(\$ 6)</u>	<u>(\$ 64,210)</u>	<u>(\$ 404,238)</u>	<u>\$1,530,712</u>	<u>\$ 45</u>	<u>\$1,530,757</u>
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 by using the equity method	-	-	48	-	-	-	-	-	-	-	48	-	48
Issuance of cash dividends from capital surplus	-	-	(111,759)	-	-	-	-	-	-	-	(111,759)	-	(111,759)
Net profit 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	-	6,567
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	33	33
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	166	166
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>

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	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 627,491	\$ 401,088
Adjustments for:		
Depreciation expenses	20,456	20,750
Amortization expenses	9,034	7,773
Expected credit (gain) loss	(10,813)	2,504
Finance costs	49	64
Interest income	(3,877)	(4,679)
Dividend income	(226)	-
Share-based payments	33	1,162
Share of loss of associates	1,346	1,849
Loss on disposal of property, plant and equipment	-	35
Net loss on foreign currency exchange	3,505	2,873
Changes in operating assets and liabilities		
Accounts receivable	12,266	31,712
Other receivables	(8,916)	1,691
Other receivables - related parties	(113)	1
Prepayments	(28,686)	(24,651)
Other current assets	224	825
Contract liabilities	20,530	20,474
Other payables	(31,568)	8,522
Other payables- related parties	90	-
Other current liabilities	(102)	563
Net defined benefit liabilities	(393)	(311)
Bonuses payable to employees and directors	<u>87,984</u>	<u>50,893</u>
Cash generated from operations	698,314	523,138
Interest received	3,835	4,750
Income tax paid	(<u>114,099</u>)	(<u>74,124</u>)
Net cash generated from operating activities	<u>588,050</u>	<u>453,764</u>

(Continued)

eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 28,563	\$ -
Proceeds from disposal of financial assets at amortized cost	-	33,500
Acquisition of property, plant and equipment	(8,875)	(19,712)
Increase in refundable deposits	(71)	(8)
Acquisition of intangible assets	(6,303)	(8,115)
Increase in prepayments for equipment	(3,250)	-
Dividends received	226	-
Net cash generated from investing activities	<u>10,290</u>	<u>5,665</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(1,192)	(1,564)
Exercise of employee share options	6,567	-
Interest paid	(49)	(64)
Increase in non-controlling interests	166	-
Net cash generated from (used in) financing activities	<u>5,492</u>	<u>(1,628)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(1,247)</u>	<u>(1,992)</u>
NET INCREASE IN CASH	602,585	455,809
CASH AT THE BEGINNING OF THE PERIOD	<u>1,754,111</u>	<u>1,263,858</u>
CASH AT THE END OF THE PERIOD	<u>\$ 2,356,696</u>	<u>\$ 1,719,667</u>

(Concluded)