

# eMemory Technology Inc. and Subsidiary

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

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)		LIABILITIES AND EQUITY	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$2,488,216	75	\$2,482,765	78	\$1,900,464	70	Contract liabilities - current	\$ 82,310	2	\$ 76,943	3	\$ 77,222	3
Accounts receivable - net	238,959	7	102,669	3	222,133	8	Other payables	146,339	4	152,271	5	104,781	4
Other receivables	525	-	5,271	-	3,729	-	Other payables - related parties	45	-	-	-	55	-
Other receivables - related parties	-	-	-	-	379	-	Bonuses payable to employees and directors	348,978	11	254,989	8	227,910	8
Prepayments	27,484	1	27,260	1	39,402	2	Payables on equipment	1,914	-	9,763	-	4,118	-
Other current assets	3,876	-	3,854	-	4,087	-	Current tax liabilities	65,948	2	140,661	4	107,103	4
Total current assets	<u>2,759,060</u>	<u>83</u>	<u>2,621,819</u>	<u>82</u>	<u>2,170,194</u>	<u>80</u>	Lease liabilities - current	3,283	-	3,230	-	1,911	-
							Other current liabilities	1,703	-	1,928	-	2,207	-
							Total current liabilities	<u>650,520</u>	<u>19</u>	<u>639,785</u>	<u>20</u>	<u>525,307</u>	<u>19</u>
<b>NON-CURRENT ASSETS</b>							<b>NON-CURRENT LIABILITIES</b>						
Financial assets at fair value through other comprehensive income - noncurrent	6,139	-	16,130	1	13,104	-	Deferred tax liabilities	1,479	-	-	-	-	-
Financial assets at amortized cost - noncurrent	116	-	116	-	114	-	Lease liabilities - noncurrent	3,068	-	5,532	-	3,517	-
Investment accounted for using the equity method	14,989	1	3,083	-	3,637	-	Net defined benefit liabilities - noncurrent	18,610	1	19,190	1	20,641	1
Property, plant and equipment	459,826	14	460,310	15	451,413	17	Guarantee deposits received	10	-	10	-	530	-
Right-of-use assets	6,251	-	8,686	-	5,363	-	Total non-current liabilities	<u>23,167</u>	<u>1</u>	<u>24,732</u>	<u>1</u>	<u>24,688</u>	<u>1</u>
Intangible assets	80,642	2	72,436	2	74,399	3	Total liabilities	<u>673,687</u>	<u>20</u>	<u>664,517</u>	<u>21</u>	<u>549,995</u>	<u>20</u>
Deferred tax assets	-	-	4,257	-	3,118	-							
Prepayments for equipment	-	-	-	-	3,300	-	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>						
Refundable deposits	499	-	471	-	461	-	Ordinary shares	761,845	23	761,235	24	760,876	28
Total non-current assets	<u>568,462</u>	<u>17</u>	<u>565,489</u>	<u>18</u>	<u>554,909</u>	<u>20</u>	Capital surplus	212,612	6	303,181	10	289,500	11
							Retained earnings						
							Legal reserve	635,956	19	526,270	16	526,270	19
							Special reserve	30,985	1	60,101	2	60,101	2
							Unappropriated earnings	1,396,876	42	1,259,813	40	971,297	36
							Total retained earnings	<u>2,063,817</u>	<u>62</u>	<u>1,846,184</u>	<u>58</u>	<u>1,557,668</u>	<u>57</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	416	-	( 112)	-	( 95)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 4,461)	-	( 30,874)	( 1)	( 33,900)	( 1)
							Total other equity	( 4,045)	-	( 30,986)	( 1)	( 33,995)	( 1)
							Treasury shares	( 404,238)	( 12)	( 404,238)	( 13)	( 404,238)	( 15)
							Total equity attributable to shareholders of the Company	2,629,991	79	2,475,376	78	2,169,811	80
							<b>NON-CONTROLLING INTERESTS</b>						
							Total equity	<u>2,653,835</u>	<u>80</u>	<u>2,522,791</u>	<u>79</u>	<u>2,175,108</u>	<u>80</u>
<b>TOTAL</b>	<u>\$3,327,522</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$2,725,103</u>	<u>100</u>	<b>TOTAL</b>	<u>\$3,327,522</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$2,725,103</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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 790,608	100	\$ 594,277	100	\$ 2,314,007	100	\$ 1,732,426	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	<u>790,608</u>	<u>100</u>	<u>594,277</u>	<u>100</u>	<u>2,314,007</u>	<u>100</u>	<u>1,732,426</u>	<u>100</u>
OPERATING EXPENSES								
Selling and marketing expenses	59,355	7	39,622	7	154,558	7	114,161	7
General and administrative expenses	76,093	10	66,174	11	216,023	9	188,826	11
Research and development expenses	212,655	27	171,252	29	625,110	27	502,598	29
Expected credit (gain) loss	( 2,943)	-	563	-	( 488)	-	( 10,250)	( 1)
Total operating expenses	<u>345,160</u>	<u>44</u>	<u>277,611</u>	<u>47</u>	<u>995,203</u>	<u>43</u>	<u>795,335</u>	<u>46</u>
OPERATING INCOME	<u>445,448</u>	<u>56</u>	<u>316,666</u>	<u>53</u>	<u>1,318,804</u>	<u>57</u>	<u>937,091</u>	<u>54</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	3,215	-	1,570	-	8,114	-	5,447	-
Other income	1,305	-	1,117	-	2,050	-	3,566	-
Other gains and losses	36,223	5	4,428	1	62,219	3	6,563	1
Finance costs	( 34)	-	( 20)	-	( 114)	-	( 69)	-
Share of loss of associates	( 701)	-	( 660)	-	( 2,196)	-	( 2,006)	-
Total non-operating income and expenses	<u>40,008</u>	<u>5</u>	<u>6,435</u>	<u>1</u>	<u>70,073</u>	<u>3</u>	<u>13,501</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	485,456	61	323,101	54	1,388,877	60	950,592	55
INCOME TAX EXPENSE	<u>83,400</u>	<u>10</u>	<u>47,948</u>	<u>8</u>	<u>214,842</u>	<u>9</u>	<u>142,095</u>	<u>8</u>
NET PROFIT	<u>402,056</u>	<u>51</u>	<u>275,153</u>	<u>46</u>	<u>1,174,035</u>	<u>51</u>	<u>808,497</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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive (loss) income	( 4,043)	( 1)	600	-	( 5,337)	-	20,630	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	257	-	( 2)	-	631	-	( 76)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	( 3)	-	-	-	2	-	-	-
Other comprehensive (loss) income	( 3,789)	( 1)	598	-	( 4,704)	-	20,554	1
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<u>\$ 398,267</u>	<u>50</u>	<u>\$ 275,751</u>	<u>46</u>	<u>\$ 1,169,331</u>	<u>51</u>	<u>\$ 829,051</u>	<u>48</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$ 406,430	52	\$ 277,181	47	\$ 1,181,373	51	\$ 813,894	47
Non-controlling interests	( 4,374)	( 1)	( 2,028)	( 1)	( 7,338)	-	( 5,397)	-
	<u>\$ 402,056</u>	<u>51</u>	<u>\$ 275,153</u>	<u>46</u>	<u>\$ 1,174,035</u>	<u>51</u>	<u>\$ 808,497</u>	<u>47</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>								
Shareholders of the Company	\$ 402,590	51	\$ 277,780	47	\$ 1,176,564	51	\$ 834,455	48
Non-controlling interests	( 4,323)	( 1)	( 2,029)	( 1)	( 7,233)	-	( 5,404)	-
	<u>\$ 398,267</u>	<u>50</u>	<u>\$ 275,751</u>	<u>46</u>	<u>\$ 1,169,331</u>	<u>51</u>	<u>\$ 829,051</u>	<u>48</u>
EARNINGS PER SHARE								
Basic	<u>\$ 5.45</u>		<u>\$ 3.72</u>		<u>\$ 15.84</u>		<u>\$ 10.92</u>	
Diluted	<u>\$ 5.43</u>		<u>\$ 3.71</u>		<u>\$ 15.77</u>		<u>\$ 10.89</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			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			Total
	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	-	-	475	-	-	-	-	-	-	-	475	( 475 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	126	-	-	-	-	-	-	-	126	-	126
Issuance of cash dividends from capital surplus	-	-	( 111,759 )	-	-	-	-	-	-	-	( 111,759 )	-	( 111,759 )
Net profit (loss) for the nine months ended September 30, 2021	-	-	-	-	-	813,894	813,894	-	-	-	813,894	( 5,397 )	808,497
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-	( 69 )	20,630	-	20,561	( 7 )	20,554
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	813,894	813,894	( 69 )	20,630	-	834,455	( 5,404 )	829,051
Issuance of ordinary shares under employee share options	28	284	8,751	-	-	-	-	-	-	-	9,035	1,759	10,794
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	45	45
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	( 5,545 )	( 5,545 )	-	5,545	-	-	-	-
BALANCE, SEPTEMBER 30, 2021	76,088	\$ 760,876	\$ 289,500	\$ 526,270	\$ 60,101	\$ 971,297	\$ 1,557,668	(\$ 95)	(\$ 33,900)	(\$ 404,238)	\$ 2,169,811	\$ 5,297	\$ 2,175,108
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	-	-	( 11,642 )	-	-	-	-	-	-	-	( 11,642 )	11,642	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	14,100	-	-	-	-	-	-	-	14,100	-	14,100
Issuance of cash dividends from capital surplus	-	-	( 111,839 )	-	-	-	-	-	-	-	( 111,839 )	-	( 111,839 )
Net profit (loss) for the nine months ended September 30, 2022	-	-	-	-	-	1,181,373	1,181,373	-	-	-	1,181,373	( 7,338 )	1,174,035
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	-	528	( 5,337 )	-	( 4,809 )	105	( 4,704 )
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	1,181,373	1,181,373	528	( 5,337 )	-	1,176,564	( 7,233 )	1,169,331
Issuance of ordinary shares under employee share options	61	610	18,812	-	-	-	-	-	-	-	19,422	1,638	21,060
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	382	382
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	( 30,000 )	( 30,000 )
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	( 31,750 )	( 31,750 )	-	31,750	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	76,185	\$ 761,845	\$ 212,612	\$ 635,956	\$ 30,985	\$ 1,396,876	\$ 2,063,817	\$ 416	(\$ 4,461)	(\$ 404,238)	\$ 2,629,991	\$ 23,844	\$ 2,653,835

## eMemory Technology Inc. and Subsidiary

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

	For the Nine Months Ended September 30	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,388,877	\$ 950,592
Adjustments for:		
Depreciation expenses	29,344	30,520
Amortization expenses	25,129	13,885
Expected credit gain	( 488)	( 10,250)
Finance costs	114	69
Interest income	( 8,114)	( 5,447)
Dividend income	( 932)	( 226)
Share-based payments	382	45
Share of loss of associates	2,196	2,006
Loss on disposal of property, plant and equipment	-	26
Gain on disposal of investments	( 86)	( 85)
Net (gain) loss on foreign currency exchange	( 49,600)	2,600
Changes in operating assets and liabilities		
Accounts receivable	( 120,085)	( 95,959)
Other receivables	5,118	( 3,604)
Other receivables - related parties	-	( 102)
Prepayments	( 163)	( 15,691)
Other current assets	( 22)	( 825)
Contract liabilities	5,367	26,420
Other payables	( 6,028)	( 31,829)
Other payables- related parties	45	55
Other current liabilities	( 225)	73
Net defined benefit liabilities	( 580)	( 592)
Bonuses payable to employees and directors	93,989	63,513
Cash generated from operations	1,364,238	925,194
Interest received	7,742	5,427
Income tax paid	( 283,880)	( 121,784)
Net cash generated from operating activities	<u>1,088,100</u>	<u>808,837</u>

(Continued)

# eMemory Technology Inc. and Subsidiary

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

	For the Nine Months Ended September 30	
	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 4,654	\$ 28,563
Acquisition of financial assets at fair value through profit or loss	( 370,000)	( 671,000)
Proceeds from disposal of financial assets at fair value through profit or loss	370,086	671,085
Acquisition of property, plant and equipment	( 34,267)	( 13,946)
Increase in refundable deposits	( 28)	( 103)
Acquisition of intangible assets	( 33,335)	( 11,470)
Increase in prepayments for equipment	-	( 3,250)
Dividends received	<u>932</u>	<u>226</u>
Net cash (used in) generated from investing activities	<u>( 61,958)</u>	<u>105</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	( 2,418)	( 1,632)
Dividends paid	( 1,043,820)	( 670,536)
Exercise of employee share options	21,060	10,794
Interest paid	( 114)	( 69)
Decrease in non-controlling interests	<u>( 30,000)</u>	<u>-</u>
Net cash used in financing activities	<u>( 1,055,292)</u>	<u>( 661,443)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>34,601</u>	<u>( 1,146)</u>
<b>NET INCREASE IN CASH</b>	5,451	146,353
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<u>2,482,765</u>	<u>1,754,111</u>
<b>CASH AT THE END OF THE PERIOD</b>	<u>\$ 2,488,216</u>	<u>\$ 1,900,464</u>

(Concluded)