

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024			March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
ASSETS							LIABILITIES AND EQUITY						
CURRENT ASSETS							CURRENT LIABILITIES						
Cash	\$3,787,967	76	\$3,307,749	74	\$3,137,593	73	Contract liabilities - current	\$ 106,225	2	\$ 73,423	2	\$ 100,887	2
Notes receivable - net	235	-	-	-	-	-	Other payables	162,258	4	217,868	5	172,345	4
Accounts receivable - net	279,770	6	300,961	7	278,694	7	Other payables - related parties	70	-	55	-	-	-
Other receivables	2,866	-	1,516	-	2,616	-	Bonuses payable to employees and directors	446,401	9	429,284	9	361,064	9
Prepayments	24,697	-	20,287	1	19,422	1	Payables on equipment	17,623	-	7,400	-	11,327	-
Other current assets	5,090	-	6,271	-	4,892	-	Current tax liabilities	200,679	4	124,483	3	123,186	3
Total current assets	<u>4,100,625</u>	<u>82</u>	<u>3,636,784</u>	<u>82</u>	<u>3,443,217</u>	<u>81</u>	Lease liabilities - current	5,016	-	5,351	-	3,511	-
							Other current liabilities	2,110	-	2,039	-	2,481	-
							Total current liabilities	<u>940,382</u>	<u>19</u>	<u>859,903</u>	<u>19</u>	<u>774,801</u>	<u>18</u>
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - noncurrent	4,154	-	4,620	-	5,379	-							
Financial assets at amortized cost – noncurrent	120	-	120	-	118	-	Deferred tax liabilities	428	-	941	-	920	-
Investment accounted for using the equity method	7,313	-	8,681	-	11,199	-	Lease liabilities - noncurrent	5,687	-	6,202	-	6,257	-
Property, plant and equipment	474,844	10	482,569	11	467,004	11	Net defined benefit liabilities - noncurrent	6,640	-	6,817	-	12,838	1
Right-of-use assets	10,371	-	11,269	-	9,660	-	Guarantee deposits received	20	-	10	-	10	-
Intangible assets	126,238	3	84,839	2	111,562	3	Total non-current liabilities	<u>12,775</u>	<u>-</u>	<u>13,970</u>	<u>-</u>	<u>20,025</u>	<u>1</u>
Deferred tax assets	2,078	-	3,276	-	1,924	-	Total liabilities	<u>953,157</u>	<u>19</u>	<u>873,873</u>	<u>19</u>	<u>794,826</u>	<u>19</u>
Prepayments for equipment	265,794	5	224,714	5	224,854	5							
Refundable deposits	<u>1,608</u>	<u>-</u>	<u>1,680</u>	<u>-</u>	<u>819</u>	<u>-</u>							
Total non-current assets	<u>892,520</u>	<u>18</u>	<u>821,768</u>	<u>18</u>	<u>832,519</u>	<u>19</u>	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY						
							Ordinary shares	746,650	15	746,633	17	746,521	17
							Capital surplus	123,103	3	122,218	3	117,527	3
							Retained earnings						
							Legal reserve	761,844	15	761,844	17	761,844	18
							Special reserve	5,170	-	5,170	-	4,980	-
							Unappropriated earnings	2,395,777	48	1,934,071	43	1,831,461	43
							Total retained earnings	3,162,791	63	2,701,085	60	2,598,285	61
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	737	-	251	-	143	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(6,446)	-	(5,980)	-	(5,221)	-
							Total other equity	(5,709)	-	(5,729)	-	(5,078)	-
							Total equity attributable to shareholders of the Company	4,026,835	81	3,564,207	80	3,457,255	81
							NON-CONTROLLING INTERESTS	13,153	-	20,472	1	23,655	-
							Total equity	<u>4,039,988</u>	<u>81</u>	<u>3,584,679</u>	<u>81</u>	<u>3,480,910</u>	<u>81</u>
TOTAL	<u>\$4,993,145</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,275,736</u>	<u>100</u>	TOTAL	<u>\$4,993,145</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,275,736</u>	<u>100</u>

Notice to Readers: The consolidated financial statements have been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version, the Chinese-language consolidated financial statements shall prevail.

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 911,734	100	\$ 802,764	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>911,734</u>	<u>100</u>	<u>802,764</u>	<u>100</u>
OPERATING EXPENSES				
Selling and marketing expenses	63,938	7	63,829	8
General and administrative expenses	82,909	9	76,325	10
Research and development expenses	242,893	27	241,881	30
Expected credit (reversal) loss	(353)	-	108	-
Total operating expenses	<u>389,387</u>	<u>43</u>	<u>382,143</u>	<u>48</u>
OPERATING INCOME	<u>522,347</u>	<u>57</u>	<u>420,621</u>	<u>52</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	16,131	2	22,070	3
Other income	299	-	373	-
Other gains and losses	12,639	1	69,557	9
Finance costs	(129)	-	(264)	-
Share of loss of associates	(1,361)	-	(858)	-
Total non-operating income and expenses	<u>27,579</u>	<u>3</u>	<u>90,878</u>	<u>12</u>
PROFIT BEFORE INCOME TAX	549,926	60	511,499	64
INCOME TAX EXPENSE	<u>95,975</u>	<u>10</u>	<u>88,444</u>	<u>11</u>
NET PROFIT	<u>453,951</u>	<u>50</u>	<u>423,055</u>	<u>53</u>

(Continued)

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
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 income	(\$ 466)	-	\$ 10	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	552	-	172	-
Share of the other comprehensive loss of associates accounted for using the equity method	(11)	-	(10)	-
Other comprehensive income	75	-	172	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 454,026</u>	<u>50</u>	<u>\$ 423,227</u>	<u>53</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 461,706	51	\$ 430,577	54
Non-controlling interests	(7,755)	(1)	(7,522)	(1)
	<u>\$ 453,951</u>	<u>50</u>	<u>\$ 423,055</u>	<u>53</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 461,726	51	\$ 430,669	54
Non-controlling interests	(7,700)	(1)	(7,442)	(1)
	<u>\$ 454,026</u>	<u>50</u>	<u>\$ 423,227</u>	<u>53</u>
EARNINGS PER SHARE				
Basic	<u>\$ 6.18</u>		<u>\$ 5.77</u>	
Diluted	<u>\$ 6.17</u>		<u>\$ 5.76</u>	

(Concluded)

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company											Total Equity
								Other Equity		Total	Non-Controlling Interests	
								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			
	Ordinary Shares		Capital Surplus	Retained Earnings								
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE, JANUARY 1, 2024	74,643	\$ 746,423	\$ 114,313	\$ 761,844	\$ 4,980	\$1,400,884	\$2,167,708	\$ 61	(\$ 5,231)	\$3,023,274	\$ 30,504	\$3,053,778
Changes in percentage of ownership interests in subsidiaries	-	-	203	-	-	-	-	-	-	203	(203)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	4	-	-	-	-	-	-	4	-	4
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	-	430,577	430,577	-	-	430,577	(7,522)	423,055
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	-	82	10	92	80	172
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	430,577	430,577	82	10	430,669	(7,442)	423,227
Issuance of ordinary shares under employee share options	9	98	3,007	-	-	-	-	-	-	3,105	57	3,162
Share-based payments	-	-	-	-	-	-	-	-	-	-	739	739
BALANCE, MARCH 31, 2024	74,652	\$ 746,521	\$ 117,527	\$ 761,844	\$ 4,980	\$1,831,461	\$2,598,285	\$ 143	(\$ 5,221)	\$3,457,255	\$ 23,655	\$3,480,910
BALANCE, JANUARY 1, 2025	74,664	\$ 746,633	\$ 122,218	\$ 761,844	\$ 5,170	\$1,934,071	\$2,701,085	\$ 251	(\$ 5,980)	\$3,564,207	\$ 20,472	\$3,584,679
Changes in percentage of ownership interests in subsidiaries	-	-	341	-	-	-	-	-	-	341	(341)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	4	-	-	-	-	-	-	4	-	4
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	-	461,706	461,706	-	-	461,706	(7,755)	453,951
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	-	486	(466)	20	55	75
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	461,706	461,706	486	(466)	461,726	(7,700)	454,026
Issuance of ordinary shares under employee share options	2	17	540	-	-	-	-	-	-	557	33	590
Share-based payments	-	-	-	-	-	-	-	-	-	-	689	689
BALANCE, MARCH 31, 2025	74,666	\$ 746,650	\$ 123,103	\$ 761,844	\$ 5,170	\$2,395,777	\$3,162,791	\$ 737	(\$ 6,446)	\$4,026,835	\$ 13,153	\$4,039,988

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 549,926	\$ 511,499
Adjustments for:		
Depreciation expenses	13,242	11,510
Amortization expenses	28,609	24,241
Expected credit (reversal) loss	(353)	108
Finance costs	129	264
Interest income	(16,131)	(22,070)
Share-based payments	689	739
Share of loss of associates	1,361	858
Net gain on foreign currency exchange	(9,664)	(62,971)
Changes in operating assets and liabilities		
Notes receivable	(235)	-
Accounts receivable	24,207	(73,860)
Prepayments	(3,111)	2,750
Other current assets	1,181	82
Contract liabilities	32,802	23,619
Other payables	(55,613)	(2,392)
Other payables- related parties	15	-
Other current liabilities	71	2
Net defined benefit liabilities	(177)	(172)
Bonuses payable to employees and directors	17,117	12,033
Cash generated from operations	584,065	426,240
Interest received	15,284	22,419
Income tax paid	(20,896)	(8,980)
Net cash generated from operating activities	578,453	439,679

(Continued)

eMemory Technology Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 5,914)	(\$ 2,076)
Increase in refundable deposits	-	(125)
Decrease in refundable deposits	72	-
Acquisition of intangible assets	(58,092)	(56,504)
Increase in prepayments for equipment	(41,080)	(140)
Net cash used in investing activities	(105,014)	(58,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(30,000)
Increase in deposits received	10	-
Repayment of the principal portion of lease liabilities	(1,331)	(988)
Exercise of employee share options	590	3,162
Interest paid	(129)	(284)
Net cash used in financing activities	(860)	(28,110)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	7,639	53,345
NET INCREASE IN CASH	480,218	406,069
CASH AT THE BEGINNING OF THE PERIOD	3,307,749	2,731,524
CASH AT THE END OF THE PERIOD	<u>\$ 3,787,967</u>	<u>\$ 3,137,593</u>

(Concluded)