



eMemory Technology Inc.

Minutes of 2025 General Shareholders' Meeting

(Translation)

Time : 9:00 AM (on Wednesday) June 11, 2025

Place : Multifunction Meeting Room, 2F., No.3 Tai-Yuan 1st Street, Jhubei City, Hsinchu County, Taiwan.

Total outstanding eMemory shares : 74,673,742 shares

Total shares represented by shareholders present in person or by proxy : 62,749,692 shares

Percentage of shares held by shareholders present in person or by proxy : 84.03%

Directors present : Charles Hsu, Danny Perng, Michael Ho, Chris Lu

Chairman : Dr. Charles Hsu, the Chairman of Board of Directors

Recorder : Catherine Chen

1. Commencement of the Meeting : The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman's Address : (Omitted)

3. Reported Matters

- (1) The Business Report of 2024. (Attachment 1, pages 5 to 7)
- (2) Audit Committee's Review Report of 2024. (Attachment 2, page 8)
- (3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2024.
 - i. The employees' compensation and Directors' remuneration of 2024 is resolved by the Board of Directors on February 26, 2025, both shall be distributed by cash.
 - ii. 15% is set aside as the employees' compensation, which is in a total amount of NT\$ 389,032,957.
 - iii. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 38,903,296.
 - iv. There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

4. Acknowledged Matters

Proposal No. 1

Proposed by the Board of Directors

- Subject : Adoption of the Business Report and Financial Statements of 2024.
- Explanation : 1. The 2024 Business Report and Financial Statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows) have been approved by the 5th Meeting of the Board of Directors of the 9th Term on February 26, 2025, and audited by the certified public accountants Cheng-Chih Lin and Ya-Yun Chang of Deloitte & Touche with the proposed audit report.
2. The preceding mentioned Business Report and Financial Statements had been submitted to the Audit Committee for review, and the review report was issued accordingly.
3. Please refer to the 2024 Business Report (Attachment 1, pages 5 to 7), Independent Auditors' Report and Financial Statements (Attachment 3, pages 9 to 26).
- Resolution : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.
- Shares present at the time of voting: 62,749,692 (votes casted electronically: 58,395,081 votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
61,549,197 (57,195,587)	98.08	2,195 (2,195)	0.01	0 (0)	0	1,198,300 (1,197,299)	1.91

Proposal No. 2

Proposed by the Board of Directors

- Subject : Adoption of the Proposal for Profit Distribution of 2024.
- Explanation : 1. The net profit of the Company for 2024 was NT\$ 1,834,250,334, and a provision of NT\$ 5,534,746 was added for the reversal of former pension preserve liabilities as per the pension actuarial report. Furthermore, the Company set aside a 10% legal reserve in an amount of NT\$ 183,978,508, also set aside a special reserve of NT\$ 558,490. Considering the beginning balance of unappropriated earnings, which was NT\$ 94,285,452, the accumulated retained earnings available for distribution amounted to NT\$ 1,749,533,534.
2. Proposing to allocate the amount of NT\$ 1,642,607,824 to shareholders as dividends from the surplus earnings, with all dividends intended to be

distributed in cash. (Cash dividends will be distributed at NT\$ 22 per share, calculated based on the 74,663,992 outstanding shares issued up to February 25, 2025, rounded down to the nearest whole number. Any fractional balance less than NT\$ 1 shall be summed up and recognized as other income of the Company.)

3. The distribution of the aforementioned cash dividends will be proposed during the General Shareholders' Meeting to authorize the Chairman to set the dividend distribution date and handle the affairs related to the distribution of cash dividends.
4. In the event that the number of outstanding shares is affected due to the execution of employee stock option, granting restricted stock awards, repurchase of the Company's common share, transfer of the repurchased shares, or cancellation of the shares, resulting in a change in the ratio of dividend distribution per share, the General Shareholders' Meeting proposes to authorize the Chairman to make any necessary adjustments and proceed with the relevant matters.
5. Please refer to the proposed 2024 Statement of Profit Distribution (Attachment 4, page 27).

Resolution : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.
 Shares present at the time of voting: 62,749,692 (votes casted electronically: 58,395,081 votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
61,568,148 (57,214,538)	98.11	2,243 (2,243)	0.01	0 (0)	0	1,179,301 (1,178,300)	1.88

5. Matters for Discussion

Proposal No. 1

Proposed by the Board of Directors

Subject : Amendment to the “Articles of Incorporation”.

Explanation : 1. According to the amended Article 14, Paragraph 6 of “Securities and Exchange Act” set forth in the Presidential Decree No. 11300069631 on August 7, 2024, the “Articles of Incorporation” of the Company is amended.
2. Please refer to the Comparison Table for Content of Articles Before and After Revisions (Attachment 5, page 28).

Resolution : RESOLVED, that the above proposal be and hereby was approved as proposed.
Shares present at the time of voting: 62,749,692 (votes casted electronically: 58,395,081 votes votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
61,572,222 (57,218,612)	98.12	201 (201)	0.00	0 (0)	0	1,177,269 (1,176,268)	1.88

6. Extemporary Motions : None.

7. Adjournment : 9: 24 AM (on Wednesday) June 11, 2025

No question was raised by Shareholder.

**2024 Business Report
of
eMemory Technology Inc.**

Dear Shareholders,

After successfully navigating the inventory adjustment challenges that affected the semiconductor industry in the post-pandemic period, eMemory delivered strong operational performance in 2024. Both total revenue and licensing income reached record highs, signaling a clear return to growth momentum. Here, we will share the results of these efforts:

- For operating and financial results:
 - The consolidated revenue reached a record high of NT\$3,606 million, representing an 18.2% increase compared to the previous year. Royalties accounted for 68.6% of total revenue, reflecting a 16.4% year-over-year increase. Licensing revenue made up 31.4% of the total, rising 22.5% year-over-year and setting a new historical high. Although the semiconductor industry underperformed last year, with only AI-related sectors demonstrating strong growth, our company made steady progress in advanced process nodes and continued to expand OTP and MTP platform development in mature nodes. Through proactive promotion of a diverse range of technologies and applications, licensing revenue increased across all product lines, with MTP showing the most significant growth. Additionally, revenue from PUF-based security IP experienced notable year-over-year growth, driven by broader adoption among new customers and across a wider range of applications.
 - The consolidated operating income was NT\$1,987 million, increasing 17.4% compared to the previous year. Net income increased by 24.4% to NT\$1,834 million. Earnings per share experienced a 24.3% increase to NT\$24.57.
 - The consolidated ending cash balance was NT\$3,308 million.
- In terms of research and development and platform development, embedded non-volatile memory (eNVM) components have moved towards the most advanced process platforms. We've also developed memory technology for multiple applications, meeting the diverse needs of various electronic devices.

- In terms of technology development, NeoBit continues to expand its adoption in industrial and automotive applications. NeoFuse is being deployed across multiple foundries and has entered development and verification at the 2nm node, targeting applications in AI, HPC, ADAS, and 5G. NeoPUF is making steady progress in 3nm functional verification and has already been adopted in next-generation confidential computing solutions. NeoEE and NeoMTP are actively being introduced into automotive designs to meet growing customer demand. NeoFlash is also progressing well and is currently under development across several foundry platforms. For RRAM, automotive-grade IP development is ongoing at 22nm, along with verification efforts at 55nm BCD. Beyond OTP and MTP, we also provide eFlash alternatives, offering customers a comprehensive, one-stop solution for their non-volatile memory requirements.
- In terms of production platforms, we have successfully completed verification for 3nm OTP, and customers are currently integrating it into their designs. OTP at 4nm, 5nm, 6nm, and 7nm nodes has also achieved reliability qualification and is in use by customers, resulting in a total of 38 design wins across nodes below 7nm. NeoPUF has been adopted across a wide range of process nodes, from 55nm down to the most advanced 3nm FinFET, with customers engaged in both chip design and pilot production. For MTP, development at the 55nm node has been completed and is now in production with customer adoption. Additionally, 22nm RRAM has passed reliability qualification and is being adopted by multiple customers in their designs.
- In 2024, we successfully signed 41 new process platform licensing agreements with foundry partners. On the customer side, we reached a record high of 685 finalized design wins. These new projects are expected to drive future royalty revenue and lay a solid foundation for long-term, sustainable growth.

Looking ahead to this year (2025) and beyond, current product applications such as OLED DDI, TDDI, PMIC, sensors, DTV, MCUs, and STB chips will continue to gain market share while moving towards more advanced process nodes. NTOs for ISP, DRAM, CIS, and Connectivity ICs are also anticipated to grow. MTP is expanding into applications like DDR5 SPD, PMIC, Type-C, wireless chargers, and SoC PMICs. Over the past year, we have developed platforms for color e-paper driver ICs, with several customers now starting mass production. Our PUF-based security IP has accumulated over 92 license agreements so far, with key applications in IoT & Connectivity, HPC & DPU, AI, SSDs, and automotive electronics. Production capacity is gradually increasing, with a large portion of this year's demand focused on advanced nodes, including design projects at 3nm, 4nm, 5nm, 6nm, and 7nm.

PUFsecurity will continue to collaborate with leading CPU IP providers, design service companies, and foundries to promote adoption. We believe that growing regulatory demands in the U.S. and Europe, along with increasing market needs for data protection, will drive ongoing growth in licensing and royalty revenue for PUF-related solutions.

In terms of sustainability, eMemory has started acquiring green energy to support our goal of reaching net-zero carbon emissions by 2050. We consistently release bilingual ESG reports to share our sustainability initiatives and accomplishments with our stakeholders. Driven by our core values—RISE (Responsibility, Innovation, Sustainability, Excellence)—we are dedicated to providing top IP technologies and solutions that enhance long-term value for both the company and our stakeholders.

In terms of award recognition, eMemory has consistently received positive feedback from customers and notable recognition in the industry. At the EE Awards Asia 2024, eMemory and PUFsecurity were awarded "Best IP/Processor of the Year" for NeoFuse and "Best Security Technology Platform," respectively. Additionally, eMemory was recognized with the "Market Value Contribution Award" by the Taipei Exchange in celebration of its 30th anniversary. Notably, eMemory is the only company in the industry to have won TSMC's Best IP Partner Award for 15 consecutive years, showcasing our long-standing commitment to engineering excellence and high-quality IP.

As we enter the new year and encounter challenges such as geopolitical tensions and market volatility, we remain steadfast and focused, committed to technological progress, strengthening our core capabilities, and working closely with clients to discover new areas of application. Guided by our fundamental corporate values of RISE (Responsibility, Innovation, Sustainability, Excellence), we confidently move forward towards our long-term goals.

Finally, I would like to express my sincere gratitude to our shareholders for their long-term support, which has been instrumental in our pursuit of excellence. We wish everyone good health and all the best. Thank you.

Chairman:
Charles Hsu

President:
Michael Ho

Accounting Officer:
Teresa Kuo

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 business report, financial statements, and proposal for allocation of profits. The CPA firm of Deloitte & Touche was retained to audit eMemory's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and profit allocation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To eMemory Technology Inc. 2025 General Shareholders' Meeting

eMemory Technology Inc.

Chairman of the Audit Committee: Danny Perng

February 26, 2025



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
eMemory Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of eMemory Technology Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

1. Royalty fees are the Group's major source of revenue; refer to Note 21 for related information. When the customers of the Group, the IC design houses, use the Group's intellectual property to kick off mass production, and the goods have been produced and shipped from the wafer foundries, the wafer foundries will pay royalty fees to the Group based on a certain percentage of the wafer price.
2. The Group recognizes royalty revenue based on the contract regulations at the time the royalty reports are signed and returned. Hence, there is a risk that the royalty revenue from wafer foundries is not recognized at the appropriate time.

3. We confirmed the accuracy of the timing of royalty revenue recognition by understanding the revenue recognition policy of the Group, assessing the reasonableness of the timing of revenue recognition, performing relevant tests of controls and analytical procedures, and selecting a certain period of royalty revenue transactions before and after the end of the reporting period and checking them against the relevant supporting documents and accounting records.

Other Matter

We have also audited the parent company only financial statements of eMemory Technology Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the

consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chih Lin and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023		LIABILITIES AND EQUITY	2024		2023	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 4, 6 and 27)	\$ 3,307,749	74	\$ 2,731,524	73	Short-term loans (Notes 16 and 27)	\$ -	-	\$ 30,000	1
Accounts receivable - net (Notes 4, 5, 9, 21 and 27)	300,961	7	194,960	5	Contract liabilities - current (Note 21)	73,423	2	77,268	2
Other receivables (Notes 4 and 27)	1,516	-	2,965	-	Other payables (Notes 17 and 27)	217,868	5	174,743	5
Prepayments (Note 15)	20,287	1	20,170	1	Other payables - related parties (Notes 27 and 28)	55	-	-	-
Other current assets (Notes 4, 15 and 27)	<u>6,271</u>	-	<u>4,974</u>	-	Bonuses payable to employees and directors (Note 22)	429,284	9	349,031	9
					Payables on equipment (Note 27)	7,400	-	9,220	-
Total current assets	<u>3,636,784</u>	<u>82</u>	<u>2,954,593</u>	<u>79</u>	Current tax liabilities (Notes 4 and 23)	124,483	3	44,486	1
NON-CURRENT ASSETS					Lease liabilities - current (Notes 4, 13 and 27)	5,351	-	2,358	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 27)	4,620	-	5,369	-	Other current liabilities (Note 17)	<u>2,039</u>	-	<u>2,479</u>	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 27 and 29)	120	-	118	-	Total current liabilities	<u>859,903</u>	<u>19</u>	<u>689,585</u>	<u>18</u>
Investment accounted for using the equity method (Notes 4 and 11)	8,681	-	12,063	-	NON-CURRENT LIABILITIES				
Property, plant and equipment (Notes 4, 12, 30 and 33)	482,569	11	473,470	13	Deferred tax liabilities (Notes 4 and 23)	941	-	-	-
Right-of-use assets (Notes 4, 13 and 33)	11,269	-	3,607	-	Lease liabilities - noncurrent (Notes 4, 13 and 27)	6,202	-	1,314	-
Intangible assets (Notes 4 and 14)	84,839	2	79,299	2	Net defined benefit liabilities - noncurrent (Notes 4 and 18)	6,817	-	13,010	1
Deferred tax assets (Notes 4 and 23)	3,276	-	3,770	-	Guarantee deposits received	<u>10</u>	-	<u>10</u>	-
Prepayments for equipment (Notes 15 and 30)	224,714	5	224,714	6	Total non-current liabilities	<u>13,970</u>	-	<u>14,334</u>	<u>1</u>
Refundable deposits	<u>1,680</u>	-	<u>694</u>	-	Total liabilities	<u>873,873</u>	<u>19</u>	<u>703,919</u>	<u>19</u>
Total non-current assets	<u>821,768</u>	<u>18</u>	<u>803,104</u>	<u>21</u>	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 19 and 20)				
					Ordinary shares	<u>746,633</u>	<u>17</u>	<u>746,423</u>	<u>20</u>
					Capital surplus	<u>122,218</u>	<u>3</u>	<u>114,313</u>	<u>3</u>
					Retained earnings				
					Legal reserve	761,844	17	761,844	20
					Special reserve	5,170	-	4,980	-
					Unappropriated earnings	<u>1,934,071</u>	<u>43</u>	<u>1,400,884</u>	<u>37</u>
					Total retained earnings	<u>2,701,085</u>	<u>60</u>	<u>2,167,708</u>	<u>57</u>
					Other equity				
					Exchange differences on the translation of the financial statements of foreign operations	251	-	61	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	<u>(5,980)</u>	-	<u>(5,231)</u>	-
					Total other equity	<u>(5,729)</u>	-	<u>(5,170)</u>	-
					Total equity attributable to shareholders of the Company	3,564,207	80	3,023,274	80
					NON-CONTROLLING INTERESTS (Notes 4 and 19)	<u>20,472</u>	<u>1</u>	<u>30,504</u>	<u>1</u>
					Total equity	<u>3,584,679</u>	<u>81</u>	<u>3,053,778</u>	<u>81</u>
TOTAL	<u>\$ 4,458,552</u>	<u>100</u>	<u>\$ 3,757,697</u>	<u>100</u>	TOTAL	<u>\$ 4,458,552</u>	<u>100</u>	<u>\$ 3,757,697</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21, 28 and 33)	\$ 3,605,968	100	\$ 3,050,325	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>3,605,968</u>	<u>100</u>	<u>3,050,325</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 13, 22 and 28)				
Selling and marketing expenses	285,557	8	229,597	8
General and administrative expenses	324,487	9	281,717	9
Research and development expenses	1,006,157	28	846,465	28
Expected credit loss (reversal) (Notes 4, 5 and 9)	<u>3,116</u>	<u>-</u>	<u>(54)</u>	<u>-</u>
Total operating expenses	<u>1,619,317</u>	<u>45</u>	<u>1,357,725</u>	<u>45</u>
OPERATING INCOME	<u>1,986,651</u>	<u>55</u>	<u>1,692,600</u>	<u>55</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 22)	71,484	2	65,256	2
Other income (Notes 4, 13 and 22)	1,386	-	1,854	-
Other gains and losses (Notes 4, 22 and 25)	99,164	3	(4,959)	-
Finance costs (Notes 4 and 22)	(582)	-	(442)	-
Share of loss of associates (Notes 4 and 11)	<u>(3,470)</u>	<u>-</u>	<u>(3,317)</u>	<u>-</u>
Total non-operating income and expenses	<u>167,982</u>	<u>5</u>	<u>58,392</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	2,154,633	60	1,750,992	57
INCOME TAX EXPENSE (Notes 4 and 23)	<u>332,375</u>	<u>9</u>	<u>288,335</u>	<u>9</u>
NET PROFIT FOR THE YEAR	<u>1,822,258</u>	<u>51</u>	<u>1,462,657</u>	<u>48</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 18)	5,536	-	2,083	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss) (Notes 4, 19 and 27)	(749)	-	455	-

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations (Notes 4 and 19)	\$ 349	-	\$ (663)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method (Notes 4, 11 and 19)	(21)	-	9	-
Other comprehensive income for the year	5,115	-	1,884	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,827,373</u>	<u>51</u>	<u>\$ 1,464,541</u>	<u>48</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,834,250	51	\$ 1,474,443	48
Non-controlling interests	(11,992)	-	(11,786)	-
	<u>\$ 1,822,258</u>	<u>51</u>	<u>\$ 1,462,657</u>	<u>48</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,839,227	51	\$ 1,476,336	48
Non-controlling interests	(11,854)	-	(11,795)	-
	<u>\$ 1,827,373</u>	<u>51</u>	<u>\$ 1,464,541</u>	<u>48</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 24.57</u>		<u>\$ 19.76</u>	
Diluted	<u>\$ 24.52</u>		<u>\$ 19.70</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company							Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	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		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE, JANUARY 1, 2023	76,185	\$ 761,845	\$ 210,522	\$ 635,956	\$ 30,985	\$ 1,830,114	\$ 2,497,055	\$ 706	\$ (5,686)	\$ (404,238)	\$ 3,060,204	\$ 33,120	\$ 3,093,324
Appropriation of 2022 earnings													
Legal reserve	-	-	-	125,888	-	(125,888)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,417,769)	(1,417,769)	-	-	-	(1,417,769)	-	(1,417,769)
Reversal of special reserve	-	-	-	-	(26,005)	26,005	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	8,365	-	-	-	-	-	-	-	8,365	(8,365)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	186	-	-	-	-	-	-	-	186	-	186
Issuance of cash dividends from capital surplus	-	-	(111,929)	-	-	-	-	-	-	-	(111,929)	-	(111,929)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	1,474,443	1,474,443	-	-	-	1,474,443	(11,786)	1,462,657
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,083	2,083	(645)	455	-	1,893	(9)	1,884
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,476,526	1,476,526	(645)	455	-	1,476,336	(11,795)	1,464,541
Issuance of ordinary shares under employee share options	25	248	7,633	-	-	-	-	-	-	-	7,881	90	7,971
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	2,022	2,022
Retirement of treasury shares	(1,567)	(15,670)	(464)	-	-	(388,104)	(388,104)	-	-	404,238	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	15,432	15,432
BALANCE, DECEMBER 31, 2023	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
Appropriation of 2023 earnings													
Special reserve	-	-	-	-	190	(190)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,306,409)	(1,306,409)	-	-	-	(1,306,409)	-	(1,306,409)
Changes in percentage of ownership interests in subsidiaries	-	-	1,304	-	-	-	-	-	-	-	1,304	(1,304)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	109	-	-	-	-	-	-	-	109	-	109
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	-	1,834,250	1,834,250	-	-	-	1,834,250	(11,992)	1,822,258
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	5,536	5,536	190	(749)	-	4,977	138	5,115
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,839,786	1,839,786	190	(749)	-	1,839,227	(11,854)	1,827,373
Issuance of ordinary shares under employee share options	21	210	6,492	-	-	-	-	-	-	-	6,702	590	7,292
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	2,536	2,536
BALANCE, DECEMBER 31, 2024	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

The accompanying notes are an integral part of the consolidated financial statements.

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,154,633	\$ 1,750,992
Adjustments for:		
Depreciation expenses	46,633	40,199
Amortization expenses	103,070	85,495
Expected credit loss (reversal)	3,116	(54)
Finance costs	582	442
Interest income	(71,484)	(65,256)
Dividend income	-	(363)
Share-based payments	2,536	2,022
Share of loss of associates	3,470	3,317
Property, plant and equipment transferred to expenses	28	66
Loss on disposal of intangible assets	82	-
Net (gain) loss on foreign currency exchange	(93,508)	24,505
Lease modification benefit	(9)	-
Intangible assets transferred to expenses	1,718	632
Changes in operating assets and liabilities		
Accounts receivable	(97,605)	36,343
Accounts receivable - related parties	-	3,038
Prepayments	731	184
Other current assets	(1,297)	(817)
Contract liabilities	(3,845)	9,760
Other payables	43,128	(7,124)
Other payables - related parties	55	(10)
Other current liabilities	(440)	500
Net defined benefit liabilities	(657)	(619)
Bonuses payable to employees and directors	80,253	(35,950)
Cash generated from operations	2,171,190	1,847,302
Interest received	72,933	63,307
Income tax paid	(251,792)	(384,892)
Net cash generated from operating activities	<u>1,992,331</u>	<u>1,525,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(54,654)	(47,462)
Increase in refundable deposits	(986)	-
Decrease in refundable deposits	-	128
Acquisition of intangible assets	(109,310)	(91,239)
Increase in prepayments for equipment	-	(224,714)
Dividends received	<u>-</u>	<u>363</u>
Net cash used in investing activities	<u>(164,950)</u>	<u>(362,924)</u>

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ -	\$ 30,000
Decrease in short-term loans	(30,000)	-
Repayment of the principal portion of lease liabilities	(3,936)	(3,669)
Dividends paid	(1,306,402)	(1,529,693)
Exercise of employee share options	7,292	7,971
Interest paid	(602)	(422)
Increase in non-controlling interests	<u>-</u>	<u>15,432</u>
Net cash used in financing activities	<u>(1,333,648)</u>	<u>(1,480,381)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>82,492</u>	<u>(17,156)</u>
NET INCREASE (DECREASE) IN CASH	576,225	(334,744)
CASH AT THE BEGINNING OF THE YEAR	<u>2,731,524</u>	<u>3,066,268</u>
CASH AT THE END OF THE YEAR	<u>\$ 3,307,749</u>	<u>\$ 2,731,524</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
eMemory Technology Inc.

Opinion

We have audited the accompanying parent company only financial statements of eMemory Technology Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and the parent company only financial performance and the parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

1. Royalty fees are the Company's major source of revenue; refer to Note 19 for related information. When the customers of the Company and the IC design houses use the Company's intellectual property to kick off mass production and the goods have been produced and shipped from the wafer foundries, the wafer foundries will pay royalty fees to the Company based on a certain percentage of the wafer price.
2. The Company recognizes royalty revenue based on the contract regulations, at the time the royalty reports are signed and returned. Hence, there is a risk that the royalty revenue from wafer foundries is not recognized at the appropriate time.

3. We confirmed the accuracy of the timing of royalty revenue recognition by understanding the revenue recognition policy of the Company, assessing the reasonableness of the timing of revenue recognition, performing relevant tests of controls and analytical procedures, and selecting a certain period of royalty revenue transactions before and after the end of the reporting period and checking them against the relevant supporting documents and accounting records.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chih Lin and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, parent company only financial performance and parent company only cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023		LIABILITIES AND EQUITY	2024		2023	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 4, 6 and 24)	\$ 3,265,364	74	\$ 2,594,104	71	Contract liabilities - current (Notes 19 and 25)	\$ 72,138	2	\$ 79,194	2
Accounts receivable - net (Notes 4, 5, 9, 19 and 24)	253,494	6	179,770	5	Other payables (Notes 15 and 24)	196,352	4	160,780	5
Other receivables (Notes 4 and 24)	1,514	-	2,795	-	Other payables - related parties (Notes 24 and 25)	2,674	-	1,685	-
Other receivables - related parties (Notes 4, 24 and 25)	12,981	-	7,512	-	Bonuses payable to employees and directors (Note 20)	429,284	10	349,031	10
Prepayments (Note 14)	13,083	-	13,803	-	Payables on equipment (Note 24)	5,716	-	9,220	-
Other current assets (Notes 4, 14 and 24)	<u>6,049</u>	<u>-</u>	<u>4,880</u>	<u>-</u>	Current tax liabilities (Notes 4 and 21)	124,070	3	44,435	1
					Lease liabilities - current (Notes 4, 12 and 24)	3,286	-	1,690	-
Total current assets	<u>3,552,485</u>	<u>80</u>	<u>2,802,864</u>	<u>76</u>	Other current liabilities (Notes 15 and 25)	<u>1,924</u>	<u>-</u>	<u>2,252</u>	<u>-</u>
					Total current liabilities	<u>835,444</u>	<u>19</u>	<u>648,287</u>	<u>18</u>
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 24)	4,620	-	5,369	-	Deferred tax liabilities(Notes 4 and 21)	941	-	-	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 24 and 26)	120	-	118	-	Lease liabilities - noncurrent (Notes 4, 12 and 24)	6,202	-	547	-
Investment accounted for using the equity method (Notes 4 and 10)	69,136	2	107,719	3	Net defined benefit liabilities - noncurrent (Notes 4 and 16)	6,817	-	13,010	-
Property, plant and equipment (Notes 4, 11 and 27)	477,865	11	469,013	13	Guarantee deposits received	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
Right-of-use assets (Notes 4 and 12)	9,397	-	2,182	-	Total non-current liabilities	<u>13,970</u>	<u>-</u>	<u>13,567</u>	<u>-</u>
Intangible assets (Notes 4 and 13)	70,837	2	68,939	2	Total liabilities	<u>849,414</u>	<u>19</u>	<u>661,854</u>	<u>18</u>
Deferred tax assets (Notes 4 and 21)	3,276	-	3,770	-					
Prepayments for equipment (Notes 14 and 27)	224,714	5	224,714	6	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)				
Refundable deposits	<u>1,171</u>	<u>-</u>	<u>440</u>	<u>-</u>	Ordinary shares	<u>746,633</u>	<u>17</u>	<u>746,423</u>	<u>20</u>
Total non-current assets	<u>861,136</u>	<u>20</u>	<u>882,264</u>	<u>24</u>	Capital surplus	<u>122,218</u>	<u>3</u>	<u>114,313</u>	<u>3</u>
					Retained earnings				
					Legal reserve	761,844	17	761,844	21
					Special reserve	5,170	-	4,980	-
					Unappropriated earnings	<u>1,934,071</u>	<u>44</u>	<u>1,400,884</u>	<u>38</u>
					Total retained earnings	<u>2,701,085</u>	<u>61</u>	<u>2,167,708</u>	<u>59</u>
					Other equity				
					Exchange differences on the translation of the financial statements of foreign operations	251	-	61	-
					Unrealized loss on financial assets at fair value through other comprehensive income	<u>(5,980)</u>	<u>-</u>	<u>(5,231)</u>	<u>-</u>
					Total other equity	<u>(5,729)</u>	<u>-</u>	<u>(5,170)</u>	<u>-</u>
					Total equity	<u>3,564,207</u>	<u>81</u>	<u>3,023,274</u>	<u>82</u>
TOTAL	<u>\$ 4,413,621</u>	<u>100</u>	<u>\$ 3,685,128</u>	<u>100</u>	TOTAL	<u>\$ 4,413,621</u>	<u>100</u>	<u>\$ 3,685,128</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 25)	\$ 3,450,766	100	\$ 2,931,463	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>3,450,766</u>	<u>100</u>	<u>2,931,463</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 20 and 25)				
Selling and marketing expenses	214,503	6	160,204	5
General and administrative expenses	306,819	9	262,912	9
Research and development expenses	906,939	26	762,872	26
Expected credit loss (reversal) (Notes 4, 5 and 9)	<u>215</u>	<u>-</u>	<u>(54)</u>	<u>-</u>
Total operating expenses	<u>1,428,476</u>	<u>41</u>	<u>1,185,934</u>	<u>40</u>
OPERATING INCOME	<u>2,022,290</u>	<u>59</u>	<u>1,745,529</u>	<u>60</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 20)	69,978	2	61,400	2
Other income (Notes 4, 12, 20 and 25)	2,382	-	2,223	-
Other gains and losses (Notes 4, 20 and 25)	110,066	3	(339)	-
Finance costs (Notes 4, 20 and 25)	(186)	-	(78)	-
Share of loss of subsidiaries and associates (Notes 4 and 10)	<u>(38,913)</u>	<u>(1)</u>	<u>(46,523)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>143,327</u>	<u>4</u>	<u>16,683</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	2,165,617	63	1,762,212	60
INCOME TAX EXPENSE (Notes 4 and 21)	<u>331,367</u>	<u>10</u>	<u>287,769</u>	<u>10</u>
NET PROFIT FOR THE YEAR	<u>1,834,250</u>	<u>53</u>	<u>1,474,443</u>	<u>50</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 16)	5,536	-	2,083	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss) (Notes 4, 17 and 24)	(749)	-	455	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method (Notes 4, 10 and 17)	<u>190</u>	<u>-</u>	<u>(645)</u>	<u>-</u>
Other comprehensive income for the year	<u>4,977</u>	<u>-</u>	<u>1,893</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,839,227</u>	<u>53</u>	<u>\$ 1,476,336</u>	<u>50</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	\$ 24.57		\$ 19.76	
Diluted	\$ 24.52		\$ 19.70	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

EMEMORY TECHNOLOGY INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Ordinary Shares		Capital Surplus	Retained Earnings				Other Equity		Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated 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		
BALANCE, JANUARY 1, 2023	76,185	\$ 761,845	\$ 210,522	\$ 635,956	\$ 30,985	\$ 1,830,114	\$ 2,497,055	\$ 706	\$ (5,686)	\$ (404,238)	\$ 3,060,204
Appropriation of 2022 earnings											
Legal reserve	-	-	-	125,888	-	(125,888)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,417,769)	(1,417,769)	-	-	-	(1,417,769)
Reversal of special reserve	-	-	-	-	(26,005)	26,005	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	8,365	-	-	-	-	-	-	-	8,365
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	186	-	-	-	-	-	-	-	186
Issuance of cash dividends from capital surplus	-	-	(111,929)	-	-	-	-	-	-	-	(111,929)
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,474,443	1,474,443	-	-	-	1,474,443
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,083	2,083	(645)	455	-	1,893
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,476,526	1,476,526	(645)	455	-	1,476,336
Issuance of ordinary shares under employee share options	25	248	7,633	-	-	-	-	-	-	-	7,881
Retirement of treasury shares	(1,567)	(15,670)	(464)	-	-	(388,104)	(388,104)	-	-	404,238	-
BALANCE, DECEMBER 31, 2023	74,643	746,423	114,313	761,844	4,980	1,400,884	2,167,708	61	(5,231)	-	3,023,274
Appropriation of 2023 earnings											
Special reserve	-	-	-	-	190	(190)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,306,409)	(1,306,409)	-	-	-	(1,306,409)
Changes in percentage of ownership interests in subsidiaries	-	-	1,304	-	-	-	-	-	-	-	1,304
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	109	-	-	-	-	-	-	-	109
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,834,250	1,834,250	-	-	-	1,834,250
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	5,536	5,536	190	(749)	-	4,977
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,839,786	1,839,786	190	(749)	-	1,839,227
Issuance of ordinary shares under employee share options	21	210	6,492	-	-	-	-	-	-	-	6,702
BALANCE, DECEMBER 31, 2024	74,664	\$ 746,633	\$ 122,218	\$ 761,844	\$ 5,170	\$ 1,934,071	\$ 2,701,085	\$ 251	\$ (5,980)	\$ -	\$ 3,564,207

The accompanying notes are an integral part of the parent company only financial statements.

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,165,617	\$ 1,762,212
Adjustments for:		
Depreciation expenses	44,430	38,753
Amortization expenses	94,201	79,311
Expected credit loss (reversal)	215	(54)
Finance costs	186	78
Interest income	(69,978)	(61,400)
Dividend income	-	(363)
Share-based payments	1,273	580
Share of loss of subsidiaries and associates	38,913	46,523
Loss on disposal of intangible assets	82	-
Net (gain) loss on foreign currency exchange	(86,729)	23,196
Lease modification benefit	(9)	-
Intangible assets transferred to expenses	1,471	35
Changes in operating assets and liabilities		
Accounts receivable	(63,659)	21,677
Accounts receivable - related parties	-	3,038
Other receivables - related parties	(5,469)	14,383
Prepayments	720	4,059
Other current assets	(1,169)	(723)
Contract liabilities	(7,056)	11,417
Other payables	35,514	(9,007)
Other payables - related parties	989	1,675
Other current liabilities	(328)	670
Net defined benefit liabilities	(657)	(619)
Bonuses payable to employees and directors	80,253	(35,950)
Cash generated from operations	2,228,810	1,899,491
Interest received	71,256	59,589
Income tax paid	(250,296)	(384,037)
Net cash generated from operating activities	<u>2,049,770</u>	<u>1,575,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	-	(26,126)
Acquisition of property, plant and equipment	(54,546)	(43,140)
Increase in refundable deposits	(731)	(41)
Acquisition of intangible assets	(96,680)	(82,031)
Increase in prepayments for equipment	-	(224,714)
Dividends received	<u>-</u>	<u>363</u>
Net cash used in investing activities	<u>(151,957)</u>	<u>(375,689)</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (3,292)	\$ (3,299)
Dividends paid	(1,306,402)	(1,529,693)
Exercise of employee share options	6,702	7,881
Interest paid	<u>(186)</u>	<u>(78)</u>
Net cash used in financing activities	<u>(1,303,178)</u>	<u>(1,525,189)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>76,625</u>	<u>(15,635)</u>
NET INCREASE (DECREASE) IN CASH	671,260	(341,470)
CASH AT THE BEGINNING OF THE YEAR	<u>2,594,104</u>	<u>2,935,574</u>
CASH AT THE END OF THE YEAR	<u>\$ 3,265,364</u>	<u>\$ 2,594,104</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

eMemory Technology Inc.
Statement of Profit Distribution
2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning Balance of Unappropriated Earnings		\$ 94,285,452
Net Profit of 2024	1,834,250,334	
Remeasurement of Defined Benefit Plans Counted in Retained Earnings	<u>5,534,746</u>	1,839,785,080
Legal Reserve Appropriated		(183,978,508)
Special Reserve Appropriated		<u>(558,490)</u>
Retained Earnings Available for Distribution		1,749,533,534
Distribution of Shareholder Dividends - Cash (NT\$ 22 per share)		<u>(1,642,607,824)</u>
Ending Balance of Unappropriated Earnings		<u>\$ 106,925,710</u>

Chairman: Charles Hsu

President: Michael Ho

Accounting Officer: Teresa Kuo

Remarks: 1. According to the Rule No.871941343 issued by the Ministry of Finance on April 30, 1998, when distributing earnings, it shall be identified respectively; the earnings distributed in this year shall be those of the latest year.

2. The shareholder cash dividends is in a total amount of NT\$ 1,642,607,824, to be distributed by NT\$ 22 per share, this is calculated by basing on the issued 74,663,992 outstanding shares up to February 25, 2025, and rounded down to the nearest whole number, the fractional balance less than NT\$ 1 shall be summed up and recognized as other income of the Company.

**Articles of Incorporation
of
eMemory Technology Inc.
(the “Company”)**

Comparison Table for Content of Articles Before and After Revisions

Before Revision	After Revision	Explanation
<p>Article 25</p> <p>If there is any pre-tax profit, 1% to 25% of the profit shall be distributed to eligible employees in the form of cash or stock for profit sharing. No more than 2% of the profit shall be distributed to directors for compensation. The Board shall prepare separate distribution proposals for employees and directors and present both at the Meeting for approval.</p> <p>If there is accumulated losses, the pre-tax profit should offset the accumulated losses and the remainder shall be distributed to employees and directors using the aforementioned thresholds.</p>	<p>Article 25</p> <p>If there is any pre-tax profit, 1% to 25% of the profit shall be distributed to eligible employees in the form of cash or stock for profit sharing, <u>and the compensation distributions for non-executive employees shall not be less than 10% of the total employees’ compensation for the year.</u> No more than 2% of the profit shall be distributed to directors for compensation. The Board shall prepare separate distribution proposals for employees and directors and present both at the Meeting for approval.</p> <p>If there is accumulated losses, the pre-tax profit should offset the accumulated losses and the remainder shall be distributed to employees and directors using the aforementioned thresholds.</p>	<p>According to the amended Article 14, Paragraph 6 of “Securities and Exchange Act” set forth in the Presidential Decree No. 11300069631 on August 7, 2024, a new salary policy for non-executive employees is added.</p>
<p>Article 29</p> <p>These Articles of Incorporation were enacted on August 8, 2000. (Omitted)</p>	<p>Article 29</p> <p>These Articles of Incorporation were enacted on August 8, 2000. (Omitted) <u>The seventeenth amendment was made on June 11, 2025.</u></p>	<p>The date of this amendment is added.</p>