

# eMemory Technology Inc. and Subsidiaries

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

	March 31, 2026		December 31, 2025		March 31, 2025			March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>ASSETS</b>							<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$4,126,775	74	\$3,532,058	74	\$3,787,967	76	Contract liabilities - current	\$ 100,437	2	\$ 74,193	2	\$ 106,225	2
Notes receivable - net	-	-	-	-	235	-	Other payables	201,450	4	220,494	5	162,258	4
Accounts receivable - net	413,922	8	238,942	5	279,770	6	Other payables - related parties	130	-	170	-	70	-
Receivables from related parties	-	-	5,375	-	-	-	Bonuses payable to employees and directors	583,750	11	455,623	10	446,401	9
Other receivables	3,402	-	999	-	2,866	-	Payables on equipment	9,915	-	12,524	-	17,623	-
Current tax assets	1,804	-	811	-	2,502	-	Current tax liabilities	179,479	3	104,292	2	200,679	4
Prepayments	14,906	-	16,051	1	22,195	-	Lease liabilities - current	5,178	-	3,429	-	5,016	-
Other current assets	7,253	-	6,983	-	5,090	-	Other current liabilities	2,686	-	9,197	-	2,110	-
Total current assets	<u>4,568,062</u>	<u>82</u>	<u>3,801,219</u>	<u>80</u>	<u>4,100,625</u>	<u>82</u>	Total current liabilities	<u>1,083,025</u>	<u>20</u>	<u>879,922</u>	<u>19</u>	<u>940,382</u>	<u>19</u>
<b>NON-CURRENT ASSETS</b>							<b>NON-CURRENT LIABILITIES</b>						
Financial assets at fair value through other comprehensive income - noncurrent	1,233	-	1,215	-	4,154	-	Deferred tax liabilities	1,796	-	1,073	-	428	-
Financial assets at amortized cost - noncurrent	122	-	122	-	120	-	Lease liabilities - noncurrent	8,390	-	4,097	-	5,687	-
Investment accounted for using the equity method	4,866	-	5,721	-	7,313	-	Net defined benefit liabilities - noncurrent	3,907	-	4,084	-	6,640	-
Property, plant and equipment	484,253	9	492,565	10	474,844	10	Guarantee deposits received	20	-	20	-	20	-
Right-of-use assets	13,106	-	7,390	-	10,371	-	Total non-current liabilities	<u>14,113</u>	<u>-</u>	<u>9,274</u>	<u>-</u>	<u>12,775</u>	<u>-</u>
Intangible assets	112,343	2	83,798	2	126,238	3	Total liabilities	<u>1,097,138</u>	<u>20</u>	<u>889,196</u>	<u>19</u>	<u>953,157</u>	<u>19</u>
Deferred tax assets	2,398	-	3,898	-	2,078	-	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>						
Prepayments for equipment	397,571	7	363,000	8	265,794	5	Ordinary shares	746,865	13	746,865	16	746,650	15
Refundable deposits	1,974	-	1,642	-	1,608	-	Capital surplus	132,918	2	132,279	3	123,103	3
Total non-current assets	<u>1,017,866</u>	<u>18</u>	<u>959,351</u>	<u>20</u>	<u>892,520</u>	<u>18</u>	Retained earnings						
							Legal reserve	945,823	17	945,823	20	761,844	15
							Special reserve	5,728	-	5,728	-	5,170	-
							Unappropriated earnings	2,617,060	47	2,020,810	42	2,395,777	48
							Total retained earnings	<u>3,568,611</u>	<u>64</u>	<u>2,972,361</u>	<u>62</u>	<u>3,162,791</u>	<u>63</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	( 40)	-	(255)	-	737	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 9,367)	-	(9,385)	-	( 6,446)	-
							Total other equity	( 9,407)	-	(9,640)	-	( 5,709)	-
							Total equity attributable to shareholders of the Company	4,438,987	79	3,841,865	81	4,026,835	81
							<b>NON-CONTROLLING INTERESTS</b>						
								49,803	1	29,509	-	13,153	-
							Total equity	<u>4,488,790</u>	<u>80</u>	<u>3,871,374</u>	<u>81</u>	<u>4,039,988</u>	<u>81</u>
<b>TOTAL</b>	<u>\$5,585,928</u>	<u>100</u>	<u>\$4,760,570</u>	<u>100</u>	<u>\$4,993,145</u>	<u>100</u>	<b>TOTAL</b>	<u>\$5,585,928</u>	<u>100</u>	<u>\$4,760,570</u>	<u>100</u>	<u>\$4,993,145</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			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 1,093,993	100	\$ 911,734	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	<u>1,093,993</u>	<u>100</u>	<u>911,734</u>	<u>100</u>
OPERATING EXPENSES				
Selling and marketing expenses	59,184	5	63,938	7
General and administrative expenses	82,531	8	82,909	9
Research and development expenses	283,993	26	242,893	27
Expected credit loss (reversal)	<u>5,908</u>	<u>-</u>	<u>( 353 )</u>	<u>-</u>
Total operating expenses	<u>431,616</u>	<u>39</u>	<u>389,387</u>	<u>43</u>
OPERATING INCOME	<u>662,377</u>	<u>61</u>	<u>522,347</u>	<u>57</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	13,292	1	16,131	2
Other income	186	-	299	-
Other gains and losses	20,678	2	12,639	1
Finance costs	( 170 )	-	( 129 )	-
Share of loss of associates	<u>( 912 )</u>	<u>-</u>	<u>( 1,361 )</u>	<u>-</u>
Total non-operating income and expenses	<u>33,074</u>	<u>3</u>	<u>27,579</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	695,451	64	549,926	60
INCOME TAX EXPENSE	<u>79,700</u>	<u>8</u>	<u>95,975</u>	<u>10</u>
NET PROFIT FOR THE PERIOD	<u>615,751</u>	<u>56</u>	<u>453,951</u>	<u>50</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			
	2026		2025	
	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	\$ 18	-	(\$ 466)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	308	-	552	-
Share of the other comprehensive loss of associates accounted for using the equity method	( 11)	-	( 11)	-
Other comprehensive income	<u>315</u>	<u>-</u>	<u>75</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 616,066</u>	<u>56</u>	<u>\$ 454,026</u>	<u>50</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 596,250	54	\$ 461,706	51
Non-controlling interests	<u>19,501</u>	<u>2</u>	<u>( 7,755)</u>	<u>( 1)</u>
	<u>\$ 615,751</u>	<u>56</u>	<u>\$ 453,951</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 596,483	54	\$ 461,726	51
Non-controlling interests	<u>19,583</u>	<u>2</u>	<u>( 7,700)</u>	<u>( 1)</u>
	<u>\$ 616,066</u>	<u>56</u>	<u>\$ 454,026</u>	<u>50</u>
EARNINGS PER SHARE				
Basic	<u>\$ 7.98</u>		<u>\$ 6.18</u>	
Diluted	<u>\$ 7.97</u>		<u>\$ 6.17</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							Other Equity		Total	Non-Controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	Retained Earnings			Exchange Differences on Translating 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, 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	<u>74,666</u>	<u>\$ 746,650</u>	<u>\$ 123,103</u>	<u>\$ 761,844</u>	<u>\$ 5,170</u>	<u>\$2,395,777</u>	<u>\$3,162,791</u>	<u>\$ 737</u>	<u>(\$ 6,446)</u>	<u>\$4,026,835</u>	<u>\$ 13,153</u>	<u>\$4,039,988</u>
BALANCE, JANUARY 1, 2026	74,687	\$ 746,865	\$ 132,279	\$ 945,823	\$ 5,728	\$2,020,810	\$2,972,361	(\$ 255)	(\$ 9,385)	\$3,841,865	\$ 29,509	\$3,871,374
Changes in percentage of ownership interests in subsidiaries	-	-	571	-	-	-	-	-	-	571	( 571 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	68	-	-	-	-	-	-	68	-	68
Net profit for the three months ended March 31, 2026	-	-	-	-	-	596,250	596,250	-	-	596,250	19,501	615,751
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	215	18	233	82	315
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	596,250	596,250	215	18	596,483	19,583	616,066
Issuance of ordinary shares under employee share options	-	-	-	-	-	-	-	-	-	-	1,019	1,019
Share-based payments	-	-	-	-	-	-	-	-	-	-	263	263
BALANCE, MARCH 31, 2026	<u>74,687</u>	<u>\$ 746,865</u>	<u>\$ 132,918</u>	<u>\$ 945,823</u>	<u>\$ 5,728</u>	<u>\$2,617,060</u>	<u>\$3,568,611</u>	<u>(\$ 40)</u>	<u>(\$ 9,367)</u>	<u>\$4,438,987</u>	<u>\$ 49,803</u>	<u>\$4,488,790</u>

## eMemory Technology Inc. and Subsidiaries

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

	Three Months Ended March 31	
	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 695,451	\$ 549,926
Adjustments for:		
Depreciation expenses	15,403	13,242
Amortization expenses	30,758	28,609
Expected credit loss (reversal)	5,908	( 353 )
Finance costs	170	129
Interest income	( 13,292 )	( 16,131 )
Share-based payments	263	689
Share of loss of associates	912	1,361
Loss on disposal of intangible assets	32	-
Net gain on foreign currency exchange	( 7,684 )	( 9,664 )
Changes in operating assets and liabilities		
Notes receivable	-	( 235 )
Accounts receivable	( 174,500 )	24,207
Accounts receivable - related parties	5,337	-
Other receivables	( 968 )	-
Prepayments	1,145	( 3,111 )
Other current assets	( 270 )	1,181
Contract liabilities	26,244	32,802
Other payables	( 19,080 )	( 55,613 )
Other payables - related parties	( 40 )	15
Other current liabilities	( 6,511 )	71
Net defined benefit liabilities	( 177 )	( 177 )
Bonuses payable to employees and directors	128,127	17,117
Cash generated from operations	687,228	584,065
Interest received	11,857	15,284
Income tax paid	( 3,283 )	( 20,896 )
Net cash generated from operating activities	<u>695,802</u>	<u>578,453</u>

(Continued)

## eMemory Technology Inc. and Subsidiaries

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

	Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 8,402)	(\$ 5,914)
Increase in refundable deposits	( 332)	-
Decrease in refundable deposits	-	72
Acquisition of intangible assets	( 59,335)	( 58,092)
Increase in prepayments for equipment	( 34,571)	( 41,080)
Net cash used in investing activities	( 102,640)	( 105,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	10
Repayment of the principal portion of lease liabilities	( 1,010)	( 1,331)
Exercise of employee share options	1,019	590
Interest paid	( 170)	( 129)
Net cash used in financing activities	( 161)	( 860)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	1,716	7,639
NET INCREASE IN CASH	594,717	480,218
CASH AT THE BEGINNING OF THE PERIOD	3,532,058	3,307,749
CASH AT THE END OF THE PERIOD	<u>\$ 4,126,775</u>	<u>\$ 3,787,967</u>

(Concluded)