

# eMemory Technology Inc. and Subsidiaries

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

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024		LIABILITIES AND EQUITY	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash	\$4,285,466	78	\$3,307,749	74	\$3,752,371	76	Short-term loans	\$ 20,000	-	\$ -	-	\$ -	-
Accounts receivable - net	246,658	5	300,961	7	293,221	6	Contract liabilities - current	100,526	2	73,423	2	89,453	2
Other receivables	2,752	-	1,516	-	2,412	-	Other payables	192,871	4	217,868	5	207,710	4
Prepayments	25,002	-	20,287	1	24,832	1	Other payables - related parties	80	-	55	-	20	-
Other current assets	6,635	-	6,271	-	5,240	-	Bonuses payable to employees and directors	539,553	10	429,284	9	460,945	9
Total current assets	<u>4,566,513</u>	<u>83</u>	<u>3,636,784</u>	<u>82</u>	<u>4,078,076</u>	<u>83</u>	Payables on equipment	7,758	-	7,400	-	4,694	-
							Dividends payable	1,642,608	30	-	-	1,306,409	27
NON-CURRENT ASSETS							Current tax liabilities	179,144	3	124,483	3	168,502	4
Financial assets at fair value through other comprehensive income - noncurrent	2,687	-	4,620	-	5,051	-	Lease liabilities - current	4,158	-	5,351	-	3,184	-
Financial assets at amortized cost - noncurrent	120	-	120	-	118	-	Other current liabilities	<u>2,091</u>	<u>-</u>	<u>2,039</u>	<u>-</u>	<u>2,539</u>	<u>-</u>
Investment accounted for using the equity method	6,526	-	8,681	-	10,531	-	Total current liabilities	<u>2,688,789</u>	<u>49</u>	<u>859,903</u>	<u>19</u>	<u>2,243,456</u>	<u>46</u>
Property, plant and equipment	484,144	9	482,569	11	465,232	10	NON-CURRENT LIABILITIES						
Right-of-use assets	8,826	-	11,269	-	8,582	-	Deferred tax liabilities	-	-	941	-	647	-
Intangible assets	126,758	2	84,839	2	115,119	2	Lease liabilities - noncurrent	4,943	-	6,202	-	5,531	-
Deferred tax assets	5,765	-	3,276	-	2,331	-	Net defined benefit liabilities - noncurrent	6,463	-	6,817	-	12,673	-
Prepayments for equipment	293,996	6	224,714	5	225,114	5	Guarantee deposits received	<u>20</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
Refundable deposits	<u>1,610</u>	<u>-</u>	<u>1,680</u>	<u>-</u>	<u>1,546</u>	<u>-</u>	Total non-current liabilities	<u>11,426</u>	<u>-</u>	<u>13,970</u>	<u>-</u>	<u>18,861</u>	<u>-</u>
Total non-current assets	<u>930,432</u>	<u>17</u>	<u>821,768</u>	<u>18</u>	<u>833,624</u>	<u>17</u>	Total liabilities	<u>2,700,215</u>	<u>49</u>	<u>873,873</u>	<u>19</u>	<u>2,262,317</u>	<u>46</u>
							EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY						
							Ordinary shares	<u>746,738</u>	<u>14</u>	<u>746,633</u>	<u>17</u>	<u>746,563</u>	<u>15</u>
							Capital surplus	<u>127,075</u>	<u>2</u>	<u>122,218</u>	<u>3</u>	<u>119,329</u>	<u>3</u>
							Retained earnings						
							Legal reserve	945,823	17	761,844	17	761,844	16
							Special reserve	5,728	-	5,170	-	5,170	-
							Unappropriated earnings	<u>968,627</u>	<u>18</u>	<u>1,934,071</u>	<u>43</u>	<u>999,958</u>	<u>20</u>
							Total retained earnings	<u>1,920,178</u>	<u>35</u>	<u>2,701,085</u>	<u>60</u>	<u>1,766,972</u>	<u>36</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	( 628 )	-	251	-	( 89 )	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( <u>7,913</u> )	<u>-</u>	( <u>5,980</u> )	<u>-</u>	( <u>5,549</u> )	<u>-</u>
							Total other equity	( <u>8,541</u> )	<u>-</u>	( <u>5,729</u> )	<u>-</u>	( <u>5,638</u> )	<u>-</u>
							Total equity attributable to shareholders of the Company	2,785,450	51	3,564,207	80	2,627,226	54
							NON-CONTROLLING INTERESTS	<u>11,280</u>	<u>-</u>	<u>20,472</u>	<u>1</u>	<u>22,157</u>	<u>-</u>
							Total equity	<u>2,796,730</u>	<u>51</u>	<u>3,584,679</u>	<u>81</u>	<u>2,649,383</u>	<u>54</u>
TOTAL	<u>\$5,496,945</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,911,700</u>	<u>100</u>	TOTAL	<u>\$5,496,945</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,911,700</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)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 936,535	100	\$ 893,010	100	\$ 1,848,269	100	\$ 1,695,774	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>936,535</u>	<u>100</u>	<u>893,010</u>	<u>100</u>	<u>1,848,269</u>	<u>100</u>	<u>1,695,774</u>	<u>100</u>
OPERATING EXPENSES								
Selling and marketing expenses	58,798	6	73,294	8	122,736	6	137,123	8
General and administrative expenses	80,692	9	79,358	9	163,601	9	155,683	9
Research and development expenses	251,794	27	243,704	28	494,687	27	485,585	29
Expected credit (reversal) loss	( 640 )	-	1,473	-	( 993 )	-	1,581	-
Total operating expenses	<u>390,644</u>	<u>42</u>	<u>397,829</u>	<u>45</u>	<u>780,031</u>	<u>42</u>	<u>779,972</u>	<u>46</u>
OPERATING INCOME	<u>545,891</u>	<u>58</u>	<u>495,181</u>	<u>55</u>	<u>1,068,238</u>	<u>58</u>	<u>915,802</u>	<u>54</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	16,012	2	17,484	2	32,143	1	39,554	2
Other income	308	-	372	-	607	-	745	-
Other gains and losses	( 88,743 )	( 10 )	24,009	3	( 76,104 )	( 4 )	93,566	6
Finance costs	( 108 )	-	( 109 )	-	( 237 )	-	( 373 )	-
Share of loss of associates	( 1,072 )	-	( 760 )	-	( 2,433 )	-	( 1,618 )	-
Total non-operating income and expenses	<u>( 73,603 )</u>	<u>( 8 )</u>	<u>40,996</u>	<u>5</u>	<u>( 46,024 )</u>	<u>( 3 )</u>	<u>131,874</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	472,288	50	536,177	60	1,022,214	55	1,047,676	62
INCOME TAX EXPENSE	<u>74,398</u>	<u>8</u>	<u>63,035</u>	<u>7</u>	<u>170,373</u>	<u>9</u>	<u>151,479</u>	<u>9</u>
NET PROFIT	<u>397,890</u>	<u>42</u>	<u>473,142</u>	<u>53</u>	<u>851,841</u>	<u>46</u>	<u>896,197</u>	<u>53</u>

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# eMemory Technology Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive loss	(\$ 1,467)	-	(\$ 328)	-	(\$ 1,933)	-	(\$ 318)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	( 1,874)	-	( 195)	-	( 1,322)	-	( 23)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	149	-	( 5)	-	138	-	( 15)	-
Other comprehensive loss	( 3,192)	-	( 528)	-	( 3,117)	-	( 356)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 394,698</u>	<u>42</u>	<u>\$ 472,614</u>	<u>53</u>	<u>\$ 848,724</u>	<u>46</u>	<u>\$ 895,841</u>	<u>53</u>
NET PROFIT (LOSS)								
ATTRIBUTABLE TO:								
Shareholders of the Company	\$ 399,995	42	\$ 475,096	53	\$ 861,701	47	\$ 905,673	53
Non-controlling interests	( 2,105)	-	( 1,954)	-	( 9,860)	( 1)	( 9,476)	-
	<u>\$ 397,890</u>	<u>42</u>	<u>\$ 473,142</u>	<u>53</u>	<u>\$ 851,841</u>	<u>46</u>	<u>\$ 896,197</u>	<u>53</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$ 397,163	42	\$ 474,536	53	\$ 858,889	47	\$ 905,205	53
Non-controlling interests	( 2,465)	-	( 1,922)	-	( 10,165)	( 1)	( 9,364)	-
	<u>\$ 394,698</u>	<u>42</u>	<u>\$ 472,614</u>	<u>53</u>	<u>\$ 848,724</u>	<u>46</u>	<u>\$ 895,841</u>	<u>53</u>
EARNINGS PER SHARE								
Basic	<u>\$ 5.36</u>		<u>\$ 6.36</u>		<u>\$ 11.54</u>		<u>\$ 12.13</u>	
Diluted	<u>\$ 5.35</u>		<u>\$ 6.36</u>		<u>\$ 11.52</u>		<u>\$ 12.11</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 Loss				
	Ordinary Shares				Retained Earnings							
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
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	
on of 2023 earnings												
sal of special reserve	-	-	-	-	190	( 190 )	-	-	-	-	-	
dividends distributed by the Company	-	-	-	-	-	( 1,306,409 )	( 1,306,409 )	-	-	( 1,306,409 )	-	
percentage of ownership interests in ries	-	-	582	-	-	-	-	-	-	582	( 582 )	
capital surplus from investments in associates ed for using the equity method	-	-	101	-	-	-	-	-	-	101	-	
oss) for the six months ended June 30, 2024	-	-	-	-	-	905,673	905,673	-	-	905,673	( 9,476 )	
rehensive loss for the six months ended June	-	-	-	-	-	-	-	( 150 )	( 318 )	( 468 )	112	
rehensive income (loss) for the six months une 30, 2024	-	-	-	-	-	905,673	905,673	( 150 )	( 318 )	905,205	( 9,364 )	
ordinary shares under employee share	14	140	4,333	-	-	-	-	-	-	4,473	225	
d payments	-	-	-	-	-	-	-	-	-	-	1,374	
JUNE 30, 2024	74,657	\$ 746,563	\$ 119,329	\$ 761,844	\$ 5,170	\$ 999,958	\$1,766,972	( \$ 89 )	( \$ 5,549 )	\$2,627,226	\$ 22,157	
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	
on of 2024 earnings												
reserve	-	-	-	183,979	-	( 183,979 )	-	-	-	-	-	
al reserve	-	-	-	-	558	( 558 )	-	-	-	-	-	
dividends distributed by the Company	-	-	-	-	-	( 1,642,608 )	( 1,642,608 )	-	-	( 1,642,608 )	-	
percentage of ownership interests in ries	-	-	1,479	-	-	-	-	-	-	1,479	( 1,479 )	
capital surplus from investments in associates ed for using the equity method	-	-	140	-	-	-	-	-	-	140	-	
oss) for the six months ended June 30, 2025	-	-	-	-	-	861,701	861,701	-	-	861,701	( 9,860 )	
rehensive loss for the six months ended June	-	-	-	-	-	-	-	( 879 )	( 1,933 )	( 2,812 )	( 305 )	
rehensive income (loss) for the six months une 30, 2025	-	-	-	-	-	861,701	861,701	( 879 )	( 1,933 )	858,889	( 10,165 )	
ordinary shares under employee share	10	105	3,238	-	-	-	-	-	-	3,343	1,285	
d payments	-	-	-	-	-	-	-	-	-	-	1,167	
JUNE 30, 2025	74,674	\$ 746,738	\$ 127,075	\$ 945,823	\$ 5,728	\$ 968,627	\$1,920,178	( \$ 628 )	( \$ 7,913 )	\$2,785,450	\$ 11,280	

# eMemory Technology Inc. and Subsidiaries

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

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,022,214	\$ 1,047,676
Adjustments for:		
Depreciation expenses	26,872	22,881
Amortization expenses	58,997	50,199
Expected credit (reversal) loss	( 993 )	1,581
Finance costs	237	373
Interest income	( 32,143 )	( 39,554 )
Share-based payments	1,167	1,374
Share of loss of associates	2,433	1,618
Net loss (gain) on foreign currency exchange	36,919	( 85,333 )
Intangible assets transferred to expenses	-	344
Changes in operating assets and liabilities		
Accounts receivable	38,732	( 90,609 )
Other receivable	( 300 )	-
Prepayments	( 2,939 )	( 600 )
Other current assets	( 364 )	( 266 )
Contract liabilities	27,103	12,185
Other payables	( 24,997 )	32,977
Other payables- related parties	25	20
Other current liabilities	52	60
Net defined benefit liabilities	( 354 )	( 337 )
Bonuses payable to employees and directors	110,269	111,914
Cash generated from operations	1,262,930	1,066,503
Interest received	31,352	40,108
Income tax paid	( 121,063 )	( 29,440 )
Net cash generated from operating activities	<u>1,173,219</u>	<u>1,077,171</u>

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# eMemory Technology Inc. and Subsidiaries

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

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 23,405 )	(\$ 17,259 )
Increase in refundable deposits	-	( 852 )
Decrease in refundable deposits	70	-
Acquisition of intangible assets	( 102,866 )	( 86,363 )
Increase in prepayments for equipment	( 69,282 )	( 400 )
Net cash used in investing activities	( 195,483 )	( 104,874 )
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	20,000	-
Decrease in short-term loans	-	( 30,000 )
Increase in deposits received	10	-
Repayment of the principal portion of lease liabilities	( 2,726 )	( 1,987 )
Exercise of employee share options	4,628	4,698
Interest paid	( 232 )	( 393 )
Net cash generated from (used in) financing activities	21,680	( 27,682 )
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	( 21,699 )	76,232
NET INCREASE IN CASH	977,717	1,020,847
CASH AT THE BEGINNING OF THE PERIOD	3,307,749	2,731,524
CASH AT THE END OF THE PERIOD	\$ 4,285,466	\$ 3,752,371

(Concluded)