

eMemory Technology Inc.
**2021 General
Shareholders' Meeting**
Agenda



Time: 9:00AM, June 10,2021

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

Notice to Readers

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

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I. Meeting Procedure

eMemory Technology Inc.

Meeting Procedure of 2021 General Shareholders' Meeting

1. Commencement of the Meeting
2. Chairman's Address
3. Report Items
4. Matters to be Acknowledged
5. Election Item
6. Matters to be Discussed
7. Extemporaneous Motions
8. Adjournment

II. Meeting Agenda

eMemory Technology Inc.
Meeting Agenda of 2021 General Shareholders' Meeting

Time : 9:00 AM (on Thursday) June, 10, 2021

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

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

1. Commencement of the Meeting

2. Chairman's Address

3. Report Items

- (1) Report on the Business of 2020.
- (2) Audit Committee's Review Report of 2020.
- (3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2020.
- (4) Report on the Amended "Rules of Procedure for Board of Directors Meetings".

4. Matters to be Acknowledged

- (1) Adoption of the Business Report and Financial Statements of 2020.
- (2) Adoption of the Proposal for Profit Distribution of 2020.

5. Election Item

- (1) Election of the Company's Directors for the 8th Term.

6. Matters to be Discussed

- (1) Proposal to Distribute the Cash from Capital Surplus.
- (2) Amendment to the "Rules of Procedure for Shareholders Meetings".
- (3) Amendment to the "Rules for Election of Directors".
- (4) Release of the New Directors from Non-Competition Restrictions.

7. Extemporaneous Motions

8. Adjournment

3. Report Items

Report No. 1 Proposed by the Board of Directors

- Subject : Report on the Business of 2020.
Explanation : 1. The status of business operation in 2020 is reported by the President.
2. Please refer to the 2020 Business Report (Attachment 1, pages 12 to 13).

Report No. 2 Proposed by the Board of Directors

- Subject : Audit Committee's Review Report of 2020.
Explanation : Please refer to the Audit Committee's Review Report (Attachment 2, page 14).

Report No. 3 Proposed by the Board of Directors

- Subject : Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2020.
Explanation : 1. The employees' compensation and Directors' remuneration of 2020 is resolved by the Board of Directors on February 24, 2021, the mentioned compensation and remuneration shall be distributed by cash.
2. 15% is set aside as the employees' compensation, which is in a total amount of NT\$ 149,451,920.
3. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 14,945,192.
4. There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

Report No. 4 Proposed by the Board of Directors

- Subject : Report on the Amended "Rules of Procedure for Board of Directors Meetings".
Explanation : 1. According to the amended "Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings" set forth in the Rule No. 10900582661 issued by the Taipei Exchange on June 12, 2020, the "Rules of Procedure for Board of Directors Meetings" of the Company is amended.
2. Please refer to the Comparison Table for Content of Articles Before and After Revisions of the Rules of Procedure for Board of Directors Meetings (Attachment 3, pages 15 to 17).

4. Matters to be Acknowledged

Proposal No. 1

Proposed by the Board of Directors

- Subject : Adoption of the Business Report and Financial Statements of 2020.
- Explanation : 1. The 2020 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 18th Meeting of the Board of Directors of the 7th Term on February 24, 2021, and audited by the certified public accountants Yu-Feng Huang and Su-Li Fang 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 2020 Business Report (Attachment 1, pages 12 to 13), Independent Auditors' Report and Financial Statements (Attachment 4, pages 18 to 35).
- Resolution :

Proposal No. 2

Proposed by the Board of Directors

- Subject : Adoption of the Proposal for Profit Distribution of 2020.
- Explanation : 1. The net profit of the Company is NT\$ 707,999,372 for the year of 2020, according to Article 25-1 of the Articles of Incorporation of the Company, by deducting the make up for former pension liability provision by the amount of NT\$ 478,213 pursuant to the actuarial report of retirement funds, setting aside 10% legal reserve in an amount of NT\$ 70,752,116, reversing from special reserve by the amount of NT\$ 5,485,024 pursuant to the law, adding the beginning balance of unappropriated retained earnings by the amount of NT\$ 79,487,623, the aggregated distributable profit in this year is NT\$ 721,741,690.
2. It is proposed to set aside shareholders' dividends in an amount of NT\$ 558,792,128 from the surplus earnings, and all of the dividends are proposed to be distributed in cash. (cash dividends will be distributed by NT\$ 7.5 per share, this is calculated by basing on the issued 74,505,617 outstanding shares up to February 23, 2021, 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.)

3. The preceding mentioned distribution of cash dividends is proposed to be authorized to the Chairman by the General Shareholders' Meeting to set the ex-dividend date and handle the affairs related to cash dividends distribution.
4. In the event that the number of outstanding shares is influenced due to the employee's execution of stock option, granting the restricted stock awards, repurchase of the Company's common share or transfer the repurchased shares, cancellation of the shares which causes the ratio of dividend distribution per share changed, it is proposed to authorize the Chairman by the General Shareholders' Meeting to make any adjustment and proceed on the relevant matters.
5. Please refer to the proposed 2020 Statement of Profit Distribution (Attachment 5, page 36).

Resolution :

5. Election Item

Proposal No. 1

Proposed by the Board of Directors

- Subject : Election of the Company's Directors for the 8th Term.
- Explanation : 1. The term of the office of the 7th Board of Directors has expired. The new Board of Directors will be elected in the General Shareholders' Meeting according to Article 195 of the Company Act.
2. The election will be conducted according to the Company's "Rules for Election of Directors" and nine Directors (including three Independent Directors) will be elected according to Article 16 of the Company's Articles of Incorporation. The candidate nomination system is adopted. The election shall be based on the cumulative voting method. The Directors and Independent Directors will be elected at the same time while the numbers of Directors and Independent Directors will be calculated separately.
3. The term of the 8th Board of Directors shall commence on June 10, 2021 and expire on June 9, 2024 for the period of three years. The newly elected Directors shall assume the office immediately after the conclusion of the General Shareholders' Meeting. The term of the existing Board of Directors shall terminate upon the conclusion of the General Shareholders' Meeting.
4. The list of the candidates for the 8th Board of Directors was adopted by the 19th Meeting of the 7th Board of Directors on April 26, 2021. Please refer to the list (Attachment 6, pages 37 to 41).
5. According to Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", if an Independent Director candidate has already served as an Independent Director of the Company for three consecutive terms or more, the Company shall publicly disclose to the shareholders at the time of the election at the Shareholders' Meeting the reasons why the candidate is continued to be nominated. The Company's Independent Director, Mr. Kenneth Kin, has served as the Company's Independent Director from the 4th to the 7th Boards. His expertise and ethics are highly regarded. He not only supervises the management team, but also offers great insight into business management, corporate governance, marketing and development strategies, human resource development, performance management and reward planning. He provides independent judgment and objective opinion in relation to the Company's affairs, which contributes greatly to the supervision of the Company's operation and protection of shareholders' rights.
6. An election is thus requested.
- Voting Result :

6. Matters to be Discussed

Proposal No. 1

Proposed by the Board of Directors

Subject : Proposal to Distribute the Cash from Capital Surplus.

Explanation : 1. In accordance with Article 241 of the Company Act, it is proposed that a cash distribution of NT\$ 111,758,426 be made from the capital surplus derived from the Company's issuance of common stock above par value. (the amount to be distributed is NT\$ 1.5 per share, this is calculated by basing on the issued 74,505,617 outstanding shares up to February 23, 2021, 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.)

2. The preceding mentioned distribution of cash is proposed to be authorized to the Chairman by the General Shareholders' Meeting to set the distribution closing date and handle the affairs related to cash distribution.

3. In the event that the number of outstanding shares is influenced due to the employee's execution of stock option, granting the restricted stock awards, repurchase of the Company's common share or transfer the repurchased shares, cancellation of the shares which causes the ratio of cash distribution changed, it is proposed to authorize the Chairman by the General Shareholders' Meeting to make any adjustment and proceed on the relevant matters.

Resolution :

Proposal No. 2

Proposed by the Board of Directors

Subject : Amendment to the "Rules of Procedure for Shareholders Meetings".

Explanation : 1. According to the amended "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" set forth in the Rule No. 10900582661 and Rule No. 11000519041 issued by the Taipei Exchange on June 12, 2020 and February 9, 2021, the "Rules of Procedure for Shareholders Meetings" of the Company is amended.

2. Please refer to the Comparison Table for Content of Articles Before and After Revisions of the Rules of Procedure for Shareholders Meetings (Attachment 7, pages 42 to 45).

Resolution :

Proposal No. 3

Proposed by the Board of Directors

- Subject : Amendment to the “Rules for Election of Directors”.
- Explanation : 1. According to the amended “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” set forth in the Rule No. 10900582661 issued by the Taipei Exchange on June 12, 2020, the “Rules for Election of Directors” of the Company is amended.
2. Please refer to the Comparison Table for Content of Articles Before and After Revisions of the Rules of Procedure for Board of Directors Meetings (Attachment 8, pages 46 to 48).
- Resolution :

Proposal No. 4

Proposed by the Board of Directors

- Subject : Release of the New Directors from Non-Competition Restrictions.
- Explanation : 1. This is processed pursuant to the provision in Article 209 of the Company Act that “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval”.
2. If the 8th Board of Directors are elected by this year’s General Shareholders’ Meeting, please refer to Attachment 9 (pages 49 to 50) for the newly elected Directors who hold concurrent positions with their investment or involvement in managing another company which has identical or similar business to that of the Company It is requested that the Shareholders Meeting to release the restrictions on non-competition of the new Directors and their representatives.
- Resolution :

7. Extemporary Motions

8. Adjournment

III. Attachments

2020 Business Report of eMemory Technology Inc.

Dear Shareholders,

In 2020, the COVID-19 pandemic has brought business opportunities as well as challenges to eMemory due to the rapid shift of product applications. In this changing global political and economic environment, as we firmly believe and anticipate, have entered a new growth cycle.

In the following we will report our operation results of 2020.

Operation results: The overall revenue is NT\$ 1,776.65 million, license fee contribute NT\$ 490.10 million which is accounts for 27.6% of revenue, whereas royalty contribute NT\$ 1,286.55 million which is accounts for 72.4% of the revenue. As compared to 2019, the license fee up 13.9% and the royalty up 31.3%. The royalty from NeoFuse technology grows 119.8% because of increasing production from advanced node. In addition, the license fee of PUF-Based Security IP has grown by 148.2%, which will lead to more applications of security products.

Financial results: Our operating profit is NT\$ 822.59 million and up 32.4% as compared to 2019, and net income attributable to owners of the company is NT\$ 708 million and up 30.6% yearly, the earning per share is NT\$ 9.52 which up 30.4% as compared to 2019.

The net cash flow increased by NT\$ 490.25 million due to the growth in revenue.

eMemory has developed various new embedded non-volatile memory process platforms to meet the demands of different applications among them:

For technology development, OTP / PUF has been advanced to 5 nm, while 7 nm has completed risk production, and is being promoted to automotive-grade product application. MTP development continues in 90nm BCD process and 65nm RF process. Also, new MTP IP will be aggressively reduced by more than 20-30% for better competitiveness. New technology, ReRAM has completed silicon verification. The IP of Computing in Memory (CIM) application has completed the initial verification, proving that eMemory MTP works well in AI chip, and will soon enter silicon verification.

For mass production platform, the 28/22 nm NeoFuse which is built on high-speed computing and high-voltage processes, has been widely used ISP and DDI. Moreover, IPs in more BCD process platforms have allowed Power Management chip production to increase significantly from quarter to another. In addition, the new-generation NeoMTP has successfully met the highest silicon reliability requirement (AEC-Q100 Grade 0) in 0.13 um BCD automotive-grade process and has been adopted by customers.

In 2020, eMemory covers a wide range of customers from wafer foundries, IDMs and chip design houses. Our partners have accumulated more than 37 foundries and 1,800 chip design companies, with more than 5,100 new product tape outs worldwide. eMemory has exceeded a large IP chips production scale of approximately 5.5 million 8-inch equivalent wafers, and has accumulated more than 32 million production wafers.

Looking forward to 2021 and the future, our IPs will deploy widely in the applications of Display Driver IC, Power Management IC, Fingerprint, Digital TV, STB, and Surveillance applications. In the meantime, our IP solutions have also penetrated into the application segments of DRAM, Bluetooth, ISP, WiFi, Solid State Drive (SSD) controller, and will soon be used in CIS, Universal Flash Storage (UFS) controllers and AI chips. In addition, NeoPUF and PUFsecurity IP have been introduced into emerging applications such as Industrial Computers, IoT and Cloud Data Processing chips. A new generation of NeoMTP has also brought in business opportunities such as Wireless Charging, Type-C and MCU. Besides, the development of MRAM/ReRAM are slowly maturing in various technologies, and will be reflected in eMemory's growth.

eMemory is ranked as the top 10 IP companies in the world, receives TSMC's IP Partner Award for 11 consecutive years, and is the No.1 player in the logic NVM technology. Regarding corporate governance, eMemory was awarded the "Top 20% Companies" in the Corporate Governance Evaluation by the Securities and Futures Market Development Foundation for 6 consecutive years. The competence is attributed to the spirit of innovation and teamwork, excellent service quality, and strengthening of corporate governance. We are very confident that our technologies and IP's will continue to add values to our customers, and our disruptive technology, NeoPUF, will lead us to expand our business greatly in the emerging markets, such as IoT, AI, Autonomous driving and Blockchain.

At last not the least, we thank you all for the long term support to eMemory. We will continue to move forward to make eMemory become world -leading technology and IP company.

Chairman:
Charles Hsu

President:
Rick Shen

Accounting Officer:
Teresa Kuo

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 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. 2021 General Shareholders' Meeting

eMemory Technology Inc.

Chairman of the Audit Committee: Ming-To Yu

February 24, 2021

**Rules of Procedure for Board of Directors Meetings
of
eMemory Technology Inc.
(the “Company”)
Comparison Table for Content of Articles Before and After Revisions**

Before Revision	After Revision	Explanation
<p>Article 7 (Chairperson and Proxy of Board Meetings)</p> <p>Board meetings shall be convened and presided over by the Chairman of the Board of Directors. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election; if there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.</p> <p>If the Chairman is on leave or unable to exercise his powers for any cause, the Chairman shall appoint a Director to act on his behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.</p>	<p>Article 7 (Chairperson and Proxy of Board Meetings)</p> <p>Board meetings convened by the Chairman shall be presided over by the Chairman. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election; if there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.</p> <p><u>If the majority or more of the Directors convene a meeting of Board of Directors on their own according to Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the Directors shall elect from amongst themselves a Chairperson.</u></p> <p>If the Chairman is on leave or unable to exercise his powers for any cause, the Chairman shall appoint a Director to act on his behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.</p>	<p>This amendment is made pursuant to Article 7 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings”.</p>

Before Revision	After Revision	Explanation
<p>Article 12 (Matters Shall be Submitted to Board Meetings for Discussion)</p> <p>The material matters listed below shall be submitted to the Board of Directors meetings for discussion:</p> <ol style="list-style-type: none"> 1. The Company’s business plans. 2. Annual financial statements. <p>(Omitted)</p>	<p>Article 12 (Matters Shall be Submitted to Board Meetings for Discussion)</p> <p>The material matters listed below shall be submitted to the Board of Directors meetings for discussion:</p> <ol style="list-style-type: none"> 1. The Company’s business plans. 2. Annual financial <u>reports and second quarter financial reports that must be audited and attested by a CPA.</u> <p>(Omitted)</p>	<p>This amendment is made pursuant to Article 12 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings”.</p>
<p>Article 15 (The Recusal of Conflict-Interested Directors)</p> <p>If a Director or the judicial person represented by a Director has a personal interest in the matter under discussion at the meeting, the relevant Director shall disclose the nature of such personal interest. If such interest may impair the interest of the Company, the relevant Director shall not join the discussion and voting of such matter, and shall enter recusal during the discussion and resolution; nor shall the relevant Director exercise voting right on behalf of another Director.</p> <p>The provisions of paragraph 2 in Article 180 of the Company Act, as applied mutatis mutandis under paragraph 3 in Article 206 of that Act, apply to</p>	<p>Article 15 (The Recusal of Conflict-Interested Directors)</p> <p>If a Director or the judicial person represented by a Director has a personal interest in the matter under discussion at the meeting, the relevant Director shall disclose the nature of such personal interest. If such interest may impair the interest of the Company, the relevant Director shall not join the discussion and voting of such matter, and shall enter recusal during the discussion and resolution; nor shall the relevant Director exercise voting right on behalf of another Director.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of Board of Directors, such Director shall be deemed to have a personal interest in the matter.</u></p> <p>The provisions of paragraph 2 in Article 180 of the Company Act, as applied mutatis mutandis under paragraph 4 in Article 206 of that Act, apply to</p>	<p>This amendment is made pursuant to Article 15 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings”.</p>

Before Revision	After Revision	Explanation
<p>resolutions of Board meetings when a Director is prohibited by the <u>preceding two paragraphs</u> from exercising voting rights.</p>	<p>resolutions of Board meetings when a Director is prohibited by the <u>rules</u> from exercising voting rights.</p>	
<p>Article 19 (History of these Rules) These Rules was established during the sixth meeting of third term of Board of Directors on December 28, 2006; The first amendment was made during the fourteenth meeting of third term of Board of Directors on February 21, 2008; The second amendment was made during the fourth meeting of fifth term of Board of Directors on October 23, 2012; The third amendment was made during the sixteenth meeting of fifth term of Board of Directors on February 12, 2015; The fourth amendment was made during the fourteenth meeting of sixth term of Board of Directors on October 25, 2017.</p>	<p>Article 19 (History of these Rules) These Rules was established during the sixth meeting of third term of Board of Directors on December 28, 2006; The first amendment was made during the fourteenth meeting of third term of Board of Directors on February 21, 2008; The second amendment was made during the fourth meeting of fifth term of Board of Directors on October 23, 2012; The third amendment was made during the sixteenth meeting of fifth term of Board of Directors on February 12, 2015; The fourth amendment was made during the fourteenth meeting of sixth term of Board of Directors on October 25, 2017; <u>The fifth amendment was made during the sixteenth meeting of seventh term of Board of Directors on October 28, 2020.</u></p>	<p>The date of this amendment is added.</p>

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, 2020 and 2019, 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 a summary of significant accounting policies.

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, 2020 and 2019, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2020. 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, 2020 is stated as follows:

1. Royalty fees are the Group's major source of revenue, refer to Note 20 for the related information. When the customers of the Group, the IC design houses, uses the Group's intellectual property to reach mass production status, 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 in the correct accounting time period.
3. We confirmed the accuracy of 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 number 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, 2020 and 2019 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2020 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 Yu-Feng Huang and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2021

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 SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019		LIABILITIES AND EQUITY		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS										
Cash (Notes 4, 6 and 26)	\$ 1,754,111	71	\$ 1,263,858	62			\$ 50,802	2	\$ 32,837	2
Accounts receivable - net (Notes 4, 9, 20 and 26)	117,449	5	126,812	7			136,590	5	80,914	4
Other receivables (Notes 4 and 26)	105	-	1,929	-			164,397	7	125,120	6
Other receivables - related parties (Notes 4, 26 and 27)	277	-	410	-			5,134	-	4,861	-
Prepayments (Note 15)	23,711	1	19,472	1			87,696	4	56,576	3
Other current assets (Notes 4, 15 and 26)	3,262	-	4,275	-			1,340	-	3,114	-
Total current assets	<u>1,898,915</u>	<u>77</u>	<u>1,416,756</u>	<u>70</u>			<u>2,134</u>	<u>-</u>	<u>1,731</u>	<u>-</u>
NON-CURRENT ASSETS										
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 26)	21,037	1	15,530	1			448,093	18	305,153	15
Financial assets at amortized cost - noncurrent (Notes 4, 8, 26 and 28)	114	-	33,613	2			2,073	-	4,246	-
Investment accounted for using the equity method (Notes 4 and 11)	5,517	-	5,382	-			21,233	1	21,384	1
Property, plant and equipment (Notes 4, 12 and 31)	467,393	19	477,171	23			530	-	530	-
Right-of-use assets (Notes 4, 13 and 31)	3,352	-	7,287	-			23,836	1	26,160	1
Intangible assets (Notes 4 and 14)	76,814	3	73,805	4			471,929	19	331,313	16
Deferred tax assets (Notes 4 and 22)	4,022	-	3,434	-						
Prepayments for equipment	50	-	-	-						
Refundable deposits	358	-	349	-						
Total non-current assets	<u>578,657</u>	<u>23</u>	<u>616,571</u>	<u>30</u>			<u>760,592</u>	<u>31</u>	<u>758,336</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 19)										
Ordinary shares							391,907	16	404,446	20
Capital surplus										
Retained earnings							455,518	18	401,471	20
Legal reserve							65,586	3	61,932	3
Special reserve							787,007	32	545,653	27
Unappropriated earnings							1,308,111	53	1,009,056	50
T total retained earnings										
Other equity										
Exchange differences on the translation of the financial statements of foreign operations							(26)	-	(4)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income							(60,075)	(3)	(65,582)	(3)
Total other equity							(60,101)	(3)	(65,586)	(3)
Treasury shares							(404,238)	(16)	(404,238)	(20)
Total equity attributable to shareholders of the Company							1,996,271	81	1,702,014	84
NON-CONTROLLING INTERESTS (Notes 4 and 18)							9,372	-	-	-
Total equity							2,005,643	81	1,702,014	84
TOTAL	<u>\$ 2,477,572</u>	<u>100</u>	<u>\$ 2,033,327</u>	<u>100</u>			<u>\$ 2,477,572</u>	<u>100</u>	<u>\$ 2,033,327</u>	<u>100</u>

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

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20, 27 and 31)	\$ 1,776,653	100	\$ 1,410,085	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>1,776,653</u>	<u>100</u>	<u>1,410,085</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 13, 21 and 27)				
Selling and marketing expenses	137,638	8	122,545	9
General and administrative expenses	208,855	12	162,986	11
Research and development expenses	602,718	34	506,215	36
Expected credit loss (gain) (Notes 4 and 9)	<u>4,856</u>	<u>-</u>	<u>(2,984)</u>	<u>-</u>
Total operating expenses	<u>954,067</u>	<u>54</u>	<u>788,762</u>	<u>56</u>
OPERATING INCOME	<u>822,586</u>	<u>46</u>	<u>621,323</u>	<u>44</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 21)	7,601	1	9,631	-
Other income (Notes 4, 13, 21 and 27)	5,867	-	10,129	1
Other gains and losses (Notes 4, 21, 24 and 27)	(1,650)	-	(3,384)	-
Finance costs (Notes 4, 21 and 27)	(165)	-	(179)	-
Share of loss of associates (Notes 4 and 11)	<u>(3,444)</u>	<u>-</u>	<u>(4,336)</u>	<u>-</u>
Total non-operating income and expenses	<u>8,209</u>	<u>1</u>	<u>11,861</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	830,795	47	633,184	45
INCOME TAX EXPENSE (Notes 4 and 22)	<u>123,950</u>	<u>7</u>	<u>91,112</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>706,845</u>	<u>40</u>	<u>542,072</u>	<u>38</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	(478)	-	(1,604)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 18)	5,507	-	(3,650)	-

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	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 18)	\$ (24)	-	\$ -	-
Share of the other comprehensive loss of associates accounted for using the equity method (Notes 4, 11 and 18)	<u>(1)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>5,004</u>	<u>-</u>	<u>(5,258)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 711,849</u>	<u>40</u>	<u>\$ 536,814</u>	<u>38</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 707,999	40	\$ 542,072	38
Non-controlling interests	<u>(1,154)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 706,845</u>	<u>40</u>	<u>\$ 542,072</u>	<u>38</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 713,006	40	\$ 536,814	38
Non-controlling interests	<u>(1,157)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 711,849</u>	<u>40</u>	<u>\$ 536,814</u>	<u>38</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 9.52</u>		<u>\$ 7.30</u>	
Diluted	<u>\$ 9.47</u>		<u>\$ 7.26</u>	

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

(Concluded)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent												
	Ordinary Shares			Retained Earnings				Other Equity			Total Equity		
	Number of Shares (In Thousands)	Amount	Capital Surplus	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	Treasury Shares			
BALANCE, JANUARY 1, 2019	75,791	\$ 757,908	\$ 416,537	\$ 340,160	\$ 926	\$ 684,180	\$ 1,025,266	\$ -	\$ (61,932)	\$ (404,238)	\$ 1,733,541	\$ -	\$ 1,733,541
Appropriation of 2018 earnings	-	-	-	-	-	(61,311)	-	-	-	-	-	-	-
Legal reserve	-	-	61,311	-	-	(61,006)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	61,006	(556,678)	(556,678)	-	-	-	(556,678)	-	(556,678)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	3,676	-	-	-	-	-	-	-	3,676	-	3,676
Issuance of cash dividends from capital surplus	-	-	(37,112)	-	-	-	-	-	-	-	(37,112)	-	(37,112)
Net profit for the year ended December 31, 2019	-	-	-	-	-	542,072	542,072	-	-	-	542,072	-	542,072
Other comprehensive loss for the year ended December 31, 2019	-	-	-	-	-	(1,604)	(1,604)	(1,604)	(4)	(3,650)	(5,258)	-	(5,258)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	540,468	540,468	(4)	(3,650)	-	536,814	-	536,814
Issuance of ordinary shares under employee share options	43	428	13,554	-	-	-	-	-	-	-	13,982	-	13,982
Share-based payments	-	-	7,791	-	-	-	-	-	-	-	7,791	-	7,791
BALANCE, DECEMBER 31, 2019	75,834	758,336	404,446	401,471	61,932	545,653	1,009,056	(4)	(65,582)	(404,238)	1,702,014	-	1,702,014
Appropriation of 2019 earnings	-	-	-	54,047	-	(54,047)	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(3,654)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	3,654	(408,466)	(408,466)	-	-	-	(408,466)	-	(408,466)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	24,629	-	-	-	-	-	-	-	24,629	(24,629)	-
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	3,580	-	-	-	-	-	-	-	3,580	-	3,580
Issuance of cash dividends from capital surplus	-	-	(111,400)	-	-	-	-	-	-	-	(111,400)	-	(111,400)
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	-	707,999	707,999	-	-	-	707,999	(1,154)	706,845
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	(478)	(478)	(478)	(22)	5,507	(3)	-	5,004
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	707,521	707,521	(22)	5,507	-	713,006	(1,157)	711,849
Issuance of ordinary shares under employee share options	226	2,256	69,567	-	-	-	-	-	-	-	71,823	-	71,823
Share-based payments	-	-	1,085	-	-	-	-	-	-	-	1,085	158	1,243
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	35,000	35,000
BALANCE, DECEMBER 31, 2020	76,060	\$ 760,592	\$ 391,907	\$ 455,518	\$ 65,586	\$ 787,007	\$ 1,308,111	(26)	\$ (60,075)	\$ (404,238)	\$ 1,956,271	\$ 9,372	\$ 2,005,643

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

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 830,795	\$ 633,184
Adjustments for:		
Depreciation expenses	43,206	40,678
Amortization expenses	16,356	14,495
Expected credit loss (gain)	4,856	(2,984)
Finance costs	165	179
Interest income	(7,601)	(9,631)
Dividend income	(1,210)	(291)
Share-based payments	1,243	7,791
Share of loss of associates	3,444	4,336
Loss on disposal of property, plant and equipment	35	-
Gain on disposal of investments	(48)	(95)
Net loss on foreign currency exchange	4,705	4,321
Lease modification benefit	(12)	-
Intangible assets reclassified as operating expenses	110	10
Changes in operating assets and liabilities		
Accounts receivable	2,193	32,484
Other receivables	1,691	(1,691)
Other receivables - related parties	133	(159)
Prepayments	(4,258)	426
Other current assets	1,013	(1,373)
Contract liabilities	17,965	(4,985)
Other payables	55,673	(13,204)
Other current liabilities	403	115
Net defined benefit liabilities	(629)	(554)
Bonuses payable to employees and directors	39,277	(12,972)
Cash generated from operations	1,009,505	690,080
Interest received	7,734	9,618
Income tax paid	(93,399)	(107,168)
Net cash generated from operating activities	<u>923,840</u>	<u>592,530</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1)	(1)
Proceeds from disposal of financial assets at amortized cost	33,500	-
Acquisition of financial assets at fair value through profit or loss	(626,000)	(592,000)
Proceeds from disposal of financial assets at fair value through profit or loss	626,048	592,095
Acquisition of property, plant and equipment	(30,155)	(24,601)
Increase in refundable deposits	(9)	(18)
Acquisition of intangible assets	(19,475)	(21,148)
Increase in prepayments for equipment	(50)	-
Dividends received	1,210	291
Net cash used in investing activities	<u>(14,932)</u>	<u>(45,382)</u>

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	\$ 20,000	\$ -
Decrease in short-term bank loans	(20,000)	-
Repayment of the principal portion of lease liabilities	(3,035)	(3,022)
Dividends paid	(519,866)	(593,780)
Exercise of employee share options	71,823	13,982
Increase in non-controlling interests	35,000	-
Interest paid	<u>(165)</u>	<u>(179)</u>
Net cash used in financing activities	<u>(416,243)</u>	<u>(582,999)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,412)</u>	<u>(2,294)</u>
NET INCREASE (DECREASE) IN CASH	490,253	(38,145)
CASH AT THE BEGINNING OF THE YEAR	<u>1,263,858</u>	<u>1,302,003</u>
CASH AT THE END OF THE YEAR	<u>\$ 1,754,111</u>	<u>\$ 1,263,858</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, 2020 and 2019, 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 a summary of significant accounting policies.

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, 2020 and 2019, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2020. 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, 2020 is stated as follows:

1. Royalty fees are the Company's major source of revenue, refer to Note 19 for the related information. When the customers of Company, the IC design houses, uses the Company's intellectual property to reach mass production status, 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 in the correct accounting time period.

3. We confirmed the accuracy of 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 number 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2020 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 Yu-Feng Huang and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2021

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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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

ASSETS	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash (Notes 4, 6 and 25)	\$ 1,653,966	67	\$ 1,234,930	61	\$ 52,244	2	\$ 32,837	2
Accounts receivable - net (Notes 4, 9, 19 and 25)	117,449	5	126,812	6	130,676	5	78,364	4
Accounts receivable - related parties (Notes 4, 19, 25 and 26)	-	-	787	-	164,397	7	125,120	6
Other receivables (Notes 4 and 25)	102	-	1,926	-	5,134	-	4,659	-
Other receivables - related parties (Notes 4, 25 and 26)	918	-	419	-	87,696	4	56,576	3
Prepayments (Note 14)	21,294	1	19,242	1	1,340	-	3,114	-
Other current assets (Notes 4, 14, 25 and 26)	3,262	-	4,278	-	2,054	-	1,686	-
Total current assets	1,796,991	73	1,388,394	68	443,541	18	302,356	15
NON-CURRENT ASSETS								
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 25)	21,037	1	15,530	1	2,073	-	4,246	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 25 and 27)	114	-	33,613	2	21,233	1	21,384	1
Investment accounted for using the equity method (Notes 4 and 10)	98,234	4	33,055	2	530	-	530	-
Property, plant and equipment (Notes 4 and 11)	465,056	19	475,318	23	23,836	1	26,160	1
Right-of-use assets (Notes 4 and 12)	3,352	-	7,287	-	467,377	19	328,516	16
Intangible assets (Notes 4 and 13)	74,477	3	73,584	4				
Deferred tax assets (Notes 4 and 21)	4,022	-	3,434	-				
Prepayments for equipment	50	-	-	-				
Refundable deposits	315	-	315	-				
Total non-current assets	666,657	27	642,136	32				
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)								
Ordinary shares	760,592	31	758,336	37				
Capital surplus	391,907	16	404,446	20				
Retained earnings	455,518	18	401,471	20				
Legal reserve	65,586	3	61,932	3				
Special reserve	787,007	32	545,653	27				
Unappropriated earnings	1,308,111	53	1,009,056	50				
Total retained earnings								
Other equity								
Exchange differences on the translation of the financial statements of foreign operations	(26)	-	(4)	-				
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(60,075)	(3)	(65,582)	(3)				
Total other equity	(60,101)	(3)	(65,586)	(3)				
Treasury shares	(404,238)	(16)	(404,238)	(20)				
Total equity	1,996,271	81	1,702,014	84				
TOTAL	\$ 2,463,648	100	\$ 2,030,530	100	\$ 2,463,648	100	\$ 2,030,530	100

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 26)	\$ 1,771,831	100	\$ 1,409,329	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>1,771,831</u>	<u>100</u>	<u>1,409,329</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 12, 20 and 26)				
Selling and marketing expenses	128,119	7	112,644	8
General and administrative expenses	192,563	11	162,721	11
Research and development expenses	564,477	32	493,106	35
Expected credit loss (gain) (Notes 4 and 9)	<u>4,856</u>	<u>-</u>	<u>(2,984)</u>	<u>-</u>
Total operating expenses	<u>890,015</u>	<u>50</u>	<u>765,487</u>	<u>54</u>
OPERATING INCOME	<u>881,816</u>	<u>50</u>	<u>643,842</u>	<u>46</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 20)	7,501	-	9,493	-
Other income (Notes 4, 12, 20 and 26)	5,867	-	10,129	1
Other gains and losses (Notes 4, 20, 23 and 26)	(193)	-	(3,381)	-
Finance costs (Notes 4, 20 and 26)	(111)	-	(179)	-
Share of loss of subsidiaries and associates (Notes 4 and 10)	<u>(62,931)</u>	<u>(3)</u>	<u>(26,720)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>(49,867)</u>	<u>(3)</u>	<u>(10,658)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	831,949	47	633,184	45
INCOME TAX EXPENSE (Notes 4 and 21)	<u>123,950</u>	<u>7</u>	<u>91,112</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>707,999</u>	<u>40</u>	<u>542,072</u>	<u>38</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)	(478)	-	(1,604)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 17)	5,507	-	(3,650)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method (Notes 4, 10 and 17)	<u>(22)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>5,007</u>	<u>-</u>	<u>(5,258)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 713,006</u>	<u>40</u>	<u>\$ 536,814</u>	<u>38</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	\$ 9.52		\$ 7.30	
Diluted	\$ 9.47		\$ 7.26	

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Ordinary Shares		Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Other Equity			Total Equity
	Number of Shares (In Thousands)	Amount						Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	
BALANCE, JANUARY 1, 2019	75,791	\$ 757,908	\$ 416,537	\$ 340,160	\$ 926	\$ 684,180	\$ 1,025,266	\$ -	\$ (61,932)	\$ (404,238)	\$ 1,733,541
Appropriation of 2018 earnings	-	-	-	-	-	(61,311)	-	-	-	-	-
Legal reserve	-	-	-	61,311	-	(61,311)	-	-	-	-	-
Special reserve	-	-	-	-	61,006	(61,006)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(556,678)	(556,678)	-	-	-	(556,678)
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	3,676	-	-	-	-	-	-	-	3,676
Issuance of cash dividends from capital surplus	-	-	(37,112)	-	-	-	-	-	-	-	(37,112)
Net profit for the year ended December 31, 2019	-	-	-	-	-	542,072	542,072	-	-	-	542,072
Other comprehensive loss for the year ended December 31, 2019	-	-	-	-	-	(1,604)	(1,604)	(4)	(3,650)	-	(5,258)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	540,468	540,468	(4)	(3,650)	-	536,814
Issuance of ordinary shares under employee share options	43	428	13,554	-	-	-	-	-	-	-	13,982
Share-based payments	-	-	7,791	-	-	-	-	-	-	-	7,791
BALANCE, DECEMBER 31, 2019	75,834	758,336	404,446	401,471	61,932	545,653	1,009,056	(4)	(65,582)	(404,238)	1,702,014
Appropriation of 2019 earnings	-	-	-	-	-	(54,047)	-	-	-	-	-
Legal reserve	-	-	-	54,047	-	(54,047)	-	-	-	-	-
Special reserve	-	-	-	-	3,654	(3,654)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(408,466)	(408,466)	-	-	-	(408,466)
Changes in percentage of ownership interests in subsidiaries	-	-	24,629	-	-	-	-	-	-	-	24,629
Change in capital surplus from investments in associates accounted for by using the equity method	-	-	3,580	-	-	-	-	-	-	-	3,580
Issuance of cash dividends from capital surplus	-	-	(111,400)	-	-	-	-	-	-	-	(111,400)
Net profit for the year ended December 31, 2020	-	-	-	-	-	707,999	707,999	-	-	-	707,999
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	(478)	(478)	(22)	5,507	-	5,007
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	707,521	707,521	(22)	5,507	-	713,006
Issuance of ordinary shares under employee share options	226	2,256	69,567	-	-	-	-	-	-	-	71,823
Share-based payments	-	-	1,085	-	-	-	-	-	-	-	1,085
BALANCE, DECEMBER 31, 2020	76,060	760,592	391,907	455,518	65,586	787,007	1,308,111	(26)	(60,075)	(404,238)	1,996,271

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 831,949	\$ 633,184
Adjustments for:		
Depreciation expenses	42,570	40,477
Amortization expenses	16,344	14,495
Expected credit loss (gain)	4,856	(2,984)
Finance costs	111	179
Interest income	(7,501)	(9,493)
Dividend income	(1,210)	(291)
Share-based payments	1,162	7,734
Share of loss of subsidiaries and associates	62,931	26,720
Loss on disposal of property, plant and equipment	35	-
Gain on disposal of investments	(48)	(95)
Net loss on foreign currency exchange	4,589	4,288
Lease modification benefit	(12)	-
Intangible assets reclassified as operating expenses	-	10
Changes in operating assets and liabilities		
Accounts receivable	2,193	32,484
Accounts receivable - related parties	787	(794)
Other receivables	1,691	(1,691)
Other receivables - related parties	(499)	(168)
Prepayments	(2,071)	656
Other current assets	1,016	(1,376)
Contract liabilities	19,407	(4,985)
Other payables	52,309	(15,754)
Other current liabilities	368	70
Net defined benefit liabilities	(629)	(554)
Bonuses payable to employees and directors	39,277	(12,972)
Cash generated from operations	1,069,625	709,140
Interest received	7,634	9,483
Income tax paid	(93,399)	(107,168)
Net cash generated from operating activities	<u>983,860</u>	<u>611,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1)	(1)
Proceeds from disposal of financial assets at amortized cost	33,500	-
Acquisition of financial assets at fair value through profit or loss	(626,000)	(592,000)
Proceeds from disposal of financial assets at fair value through profit or loss	626,048	592,095
Net cash outflow on acquisition of subsidiaries	(100,000)	(50,000)
Increase in prepayments for equipment	(50)	-
Acquisition of property, plant and equipment	(28,833)	(22,749)

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Decrease in refundable deposits	\$ -	\$ 16
Acquisition of intangible assets	(17,237)	(20,927)
Dividends received	<u>1,210</u>	<u>291</u>
Net cash used in investing activities	<u>(111,363)</u>	<u>(93,275)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(3,035)	(3,022)
Dividends paid	(519,866)	(593,780)
Exercise of employee share options	71,823	13,982
Interest paid	<u>(111)</u>	<u>(179)</u>
Net cash used in financing activities	<u>(451,189)</u>	<u>(582,999)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,272)</u>	<u>(2,254)</u>
NET INCREASE (DECREASE) IN CASH	419,036	(67,073)
CASH AT THE BEGINNING OF THE YEAR	<u>1,234,930</u>	<u>1,302,003</u>
CASH AT THE END OF THE YEAR	<u>\$ 1,653,966</u>	<u>\$ 1,234,930</u>

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

(Concluded)

eMemory Technology Inc.
Statement of Profit Distribution
2020

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning Balance of Unappropriated Retained Earnings		\$ 79,487,623
Net Profit of 2020	707,999,372	
Remeasurement of Defined Benefit Plans Counted in Retained Earnings	<u>(478,213)</u>	707,521,159
10% Legal Reserve Appropriated		(70,752,116)
Special Reserve Reversed		<u>5,485,024</u>
Retained Earnings Available for Distribution		721,741,690
Distribution of Shareholder Dividends - Cash (NT\$ 7.5 per share)		<u>(558,792,128)</u>
Ending Balance of Unappropriated Retained Earnings		<u>\$162,949,562</u>

Chairman: Charles Hsu

President: Rick Shen

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\$ 558,792,128, to be distributed by NT\$ 7.5 per share, this is calculated by basing on the issued 74,505,617 outstanding shares up to February 23, 2021, 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.

eMemory Technology Inc.**List of 8th term of Director Candidates**

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Charles Hsu	<p>Ph.D. in Electrical Engineering, University of Illinois, Urbana-Champaign, U.S.A.</p> <p>Chairman, Institute of Electronics Engineering, National Tsing Hua University</p> <p>Researcher, IBM T.J. Watson Research Center, NY, U.S.A.</p>	<p>Chairman, eMemory Technology Inc.</p> <p>Chairman, iMQ Technology Inc.</p> <p>Chairman, PUFsecurity USA Corporation</p> <p>Chairman & President, PUFsecurity Corporation</p> <p>Director, SecuX Technology Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Materials Analysis Technology Inc.</p> <p>Director, National Applied Research Laboratories</p>	1,629,407
Li-Jeng Chen	<p>Master of Air Transportation Management, University of Hawaii, Travel Industry Management School, U.S.A.</p> <p>Chief Investment Officer, Cathay Securities Investment Trust</p> <p>Portfolio Manager, Invesco Global Technology Fund</p>	<p>Director, eMemory Technology Inc.</p>	2,345,000

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Mu-Chuan Hsu	<p>Bachelor Degree in Medicine, China Medical University</p> <p>Attending Physician, Department of Obstetrics & Gynecology, National Taiwan University Hospital</p> <p>Superintendent, North Town Women & Children Hospital</p>	<p>Director, eMemory Technology Inc.</p> <p>Director, iMQ Technology Inc.</p> <p>Attending Physician, Fu Jen Catholic University Hospital</p> <p>Director, HsinChu Kuang-Fu High School</p>	1,273,179
<p>How-Han Investment Corporation Representative : Teresa Cheng</p>	<p>Master of Science, Computer Science and Applied Mathematics, University of Illinois at Urbana-Champaign, U.S.A.</p> <p>Bachelor Degree in Economics, National Taiwan University</p> <p>Chief Information Officer, Macronix International Co., Ltd.</p> <p>Department Manager, Software Development, BDC Corporation</p> <p>Associate Researcher, Manufacturing Information System, North American Philips Labs., NY, U.S.A.</p> <p>Software Engineer, IBM T.J. Watson Research Center, NY, U.S.A.</p>	<p>Director, eMemory Technology Inc.</p> <p>Chairman, How-Han Investment Corporation</p> <p>Director, iMQ Technology Inc.</p> <p>Supervisor, Uniband Electronic Corporation</p> <p>Vice President, HeFeChip Corporation Limited, Shanghai</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Synergy Tech Corp.</p>	1,131,697

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
<p>How-Han Investment Corporation Representative : Jason Hsu</p>	<p>Master of Computer Science, Stevens Institute of Technology, U.S.A. Chairman / General Manager, IBM Taiwan CEO, GE Taiwan</p>	<p>Director, eMemory Technology Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, inergy Technology Inc. Professor, EMBA / MBA, National Tsing Hua University Professor, National Taiwan University</p>	<p>1,131,697</p>
<p>Rick Shen</p>	<p>Ph.D. in Electrical Engineering, National Tsing Hua University R&D Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited</p>	<p>Director & President, eMemory Technology Inc. Vice Chairman, PUFsecurity Corporation Independent Director, Remuneration Committee Member & Audit Committee Member, inergy Technology Inc. Executive Supervisor, Taiwan IoT Technology and Industry Association</p>	<p>147,000</p>

eMemory Technology Inc.

List of 8th term of Independent Director Candidates

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Kenneth Kin	<p>Ph.D. Nuclear Engineering and Applied Physics, Columbia University, U.S.A.</p> <p>Bachelor Degree in Nuclear Engineering, National Tsing Hua University</p> <p>Senior Vice President, Worldwide Sales & Services, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Vice President, Worldwide Sales & Services, IBM Microelectronics Division</p> <p>Vice President, Asia Pacific Operations, Motorola Computer Gro</p>	<p>Independent Director, Remuneration Committee Member & Audit Committee Member, eMemory Technology Inc.</p> <p>Director, MediaTek Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Vanguard International Semiconductor Corporation</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Global Unichip Corp.</p> <p>Director, Medtech Investment Co. Ltd.</p> <p>Professor, College of Technology Management, National Tsing Hua University</p>	0
Ming-To Yu	<p>Master of Business Administration, The Wharton School, University of Pennsylvania, U.S.A.</p> <p>Master of Public Administration, National Chengchi University</p> <p>Chief Financial Officer, Xiaomi Corporation, Beijing</p>	<p>Independent Director, Remuneration Committee Member & Audit Committee Member, eMemory Technology Inc.</p> <p>Vice Chairman, Egis Technology Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Cyber Security</p>	0

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
	<p>Chief Financial Officer and Spokesperson, MediaTek Inc.</p> <p>Financial Manager, Taiwan Semiconductor Manufacturing Company Limited</p>	<p>Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Tongtai Machine & Tool Co., Ltd.</p> <p>Director, ULSee Co, Ltd.</p> <p>Director, GIXIA GROUP CO.</p> <p>Chairman, Yishing Technology Ltd.</p> <p>Chairman, Vitrio Technology Corporation</p>	
T.C. Chen	<p>Ph.D. in Engineering and Applied Science, Yale University, U.S.A.</p> <p>Bachelor Degree in Physics, National Cheng Kung University</p> <p>Fellow Member, Institute of Electrical and Electronics Engineers (IEEE)</p>	<p>Independent Director, Remuneration Committee Member & Audit Committee Member, eMemory Technology Inc.</p> <p>Fellow, IBM</p> <p>Vice President Science & Technology, IBM</p> <p>Independent Director & Audit Committee Member, AP Memory Technology Corp.</p>	0

**Rules of Procedure for Shareholders Meetings
of
eMemory Technology Inc.
(the “Company”)
Comparison Table for Content of Articles Before and After Revisions**

Before Revision	After Revision	Explanation
<p>Article 3 The Convention and Meeting Notice of Shareholders’ Meeting</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>4. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, using earnings to increase capitalization, using reserve to increase capitalization, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the Shareholders’ Meeting, as well as the essential contents shall be explained. None of the above matters may be raised by an extemporary motions; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u></p> <p>5. (Omitted)</p>	<p>Article 3 The Convention and Meeting Notice of Shareholders’ Meeting</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>4. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, using earnings to increase capitalization, using reserve to increase capitalization, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, <u>Article 26-1 and Article 43-6 of the Securities and Exchange Act or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u>, shall be set out in the notice of the reasons for convening the Shareholders’ Meeting, as well as the essential contents shall be explained. None of the above matters may be raised by an extemporary motion.</p> <p>5. (Omitted)</p>	<p>This amendment is made pursuant to Article 3 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”.</p>

Before Revision	After Revision	Explanation
<p>6. A shareholder holding 1 % or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular Shareholders’ Meeting. Such proposal is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>However, the proposed proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at the shareholders’ meeting by the Board of Directors.</u> In addition, when any one of the circumstances set forth in each subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>7. (Omitted)</p> <p>8. (Omitted)</p>	<p>6. A shareholder holding 1 % or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular Shareholders’ Meeting. Such proposal is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when any one of the circumstances set forth in each subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. <u>Shareholders may propose to the Company proposals urging the Company to promote public interests or fulfill its social responsibilities provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda according to Article 172-1 of the Company Act.</u></p> <p>7. (Omitted)</p> <p>8. (Omitted)</p>	
<p>Article 9 Calculation of Attending Share Number and Calling a Meeting</p> <p>1. (Omitted)</p> <p>2. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a</p>	<p>Article 9 Calculation of Attending Share Number and Calling a Meeting</p> <p>1. (Omitted)</p> <p>2. The chair shall call the meeting to order at the appointed meeting time <u>and announce the numbers of non-voting rights and total shares represented by the shareholders present.</u> However, when the</p>	<p>This amendment is made pursuant to Article 9 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”.</p>

Before Revision	After Revision	Explanation
<p>postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>3. (Omitted) 4. (Omitted)</p>	<p>attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>3. (Omitted) 4. (Omitted)</p>	
<p>Article 14 Election of Directors</p> <p>1. The election of directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.</p> <p>2. (Omitted)</p>	<p>Article 14 Election of Directors</p> <p>1. The election of directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected <u>as well as the list of the unsuccessful candidates and the number of votes received by them.</u></p> <p>2. (Omitted)</p>	<p>This amendment is made pursuant to Article 14 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".</p>
<p>Article 21</p> <p>These Rules were adopted by the Shareholders' Meeting on June 14, 2001. The first amendment was made on September 29, 2009. The second amendment was made on June 19, 2012.</p>	<p>Article 21</p> <p>These Rules were adopted by the Shareholders' Meeting on June 14, 2001. The first amendment was made on September 29, 2009. The second amendment was made on June 19, 2012.</p>	<p>The date of this amendment is added.</p>

Before Revision	After Revision	Explanation
<p>The third amendment was made on June 18, 2014. The fourth amendment was made on June 9, 2015. The fifth amendment was made on June 10, 2020.</p>	<p>The third amendment was made on June 18, 2014. The fourth amendment was made on June 9, 2015. The fifth amendment was made on June 10, 2020. <u>The sixth amendment was made on June 10, 2021.</u></p>	

**Rules for Election of Directors
of
eMemory Technology Inc.
(the “Company”)**

Comparison Table for Content of Articles Before and After Revisions

Before Revision	After Revision	Explanation
<p>Article 7</p> <p>If a candidate is a shareholder, a voter must fill the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall fill in the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be filled in the column for the candidate's account name in the ballot, or both the name of the governmental organization/juristic-person shareholder and the name of its representative may be filled in. When there are multiple representatives, the name of each representative shall be filled in.</p>	<p>(Deleted)</p>	<p>This deletion is made pursuant to the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors”.</p>
<p>Article <u>8</u></p> <p>A ballot is invalid under any of the following circumstances:</p> <p><u>(1) Ballots not placed in the ballot box.</u></p> <p><u>(2) Ballots not prepared by the Board of Directors.</u></p> <p><u>(3) Blank ballots not completed by the voter.</u></p>	<p>Article <u>7</u></p> <p>A ballot is invalid under any of the following circumstances:</p> <p><u>(1) The ballot was not prepared by a person with the right to convene.</u></p> <p><u>(2) A blank ballot is placed in the ballot box.</u></p>	<p>1. Adjust the article number due to the deletion of Article 7.</p> <p>2. This amendment is made pursuant to Article 10 of the “Sample Template for</p>

Before Revision	After Revision	Explanation
<p>(4) <u>If the candidate is a shareholder of the Company, the account name or shareholder account number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder of the Company, the name or ID card number of the candidate filled in the ballot is found incorrect.</u></p> <p>(5) <u>In addition to the candidate's account name, shareholder account number (ID card number) and the number of voting rights allotted, other words or marks are filled in.</u></p> <p>(6) <u>The writing is unclear and indecipherable or has been altered.</u></p> <p>(7) <u>Two or more candidates are filled in one ballot.</u></p> <p>(8) <u>The name of the candidate filled in the ballot is identical to that of another shareholder, but no shareholder account number or ID card number is provided in the ballot to identify such individual.</u></p>	<p>(3) <u>The writing is unclear and indecipherable or has been altered.</u></p> <p>(4) <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u></p> <p>(5) <u>Other words or marks are entered in addition to the number of voting rights allotted.</u></p>	<p>XXX Co., Ltd. Procedures for Election of Directors”.</p>
<p>Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the <u>list of persons elected as directors</u> shall be announced by the chairperson on the site.</p>	<p>Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the <u>voting results</u> shall be announced by the chairperson on the site, <u>including the names of those</u></p>	<p>1. Adjust the article number due to the deletion of Article 7. 2. This amendment is made pursuant</p>

Before Revision	After Revision	Explanation
	<p><u>elected as directors and the numbers of votes with which they were elected.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.</u></p> <p><u>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p>	<p>to Article 11 of the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors”.</p>
<p>Article <u>10</u> (Omitted)</p>	<p>Article <u>9</u> (Omitted)</p>	<p>Adjust the article number due to the deletion of Article 7.</p>
<p>Article <u>11</u> (Omitted)</p>	<p>Article <u>10</u> (Omitted)</p>	<p>Adjust the article number due to the deletion of Article 7.</p>
<p>Article <u>12</u> (Omitted)</p>	<p>Article <u>11</u> (Omitted)</p>	<p>Adjust the article number due to the deletion of Article 7.</p>
<p>Article <u>13</u> These Rules were adopted by the Shareholders’ Meeting on May 7, 2003. The first amendment was made on May 15, 2008. The second amendment was made on June 9, 2015. The third amendment was made on June 13, 2017.</p>	<p>Article <u>12</u> These Rules were adopted by the Shareholders’ Meeting on May 7, 2003. The first amendment was made on May 15, 2008. The second amendment was made on June 9, 2015. The third amendment was made on June 13, 2017. <u>The fourth amendment was made on June 10, 2021.</u></p>	<p>The date of this amendment is added.</p>

eMemory Technology Inc.**Concurrent Positions for the 8th Newly Elected Directors**

Title	Name	Concurrent Positions
Director	Charles Hsu	Chairman, iMQ Technology Inc. Chairman, PUFsecurity USA Corporation Chairman & President, PUFsecurity Corporation Director, SecuX Technology Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Materials Analysis Technology Inc.
Director	Mu-Chuan Hsu	Director, iMQ Technology Inc.
Director	How-Han Investment Corporation	Director, iMQ Technology Inc. Director, SecuX Technology Inc.
Representative of Director	Teresa Cheng	Chairman, How-Han Investment Corporation Director, iMQ Technology Inc. Supervisor, Uniband Electronic Corporation Vice President, HeFeChip Corporation Limited, Shanghai Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Synergy Tech Corp.
Representative of Director	Jason Hsu	Independent Director, Remuneration Committee Member & Audit Committee Member, inergy Technology Inc.
Director	Rick Shen	Vice Chairman, PUFsecurity Corporation Independent Director, Remuneration Committee Member & Audit Committee Member, inergy Technology Inc.
Independent Director	Kenneth Kin	Director, MediaTek Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Vanguard International

Title	Name	Concurrent Positions
		Semiconductor Corporation Independent Director, Remuneration Committee Member & Audit Committee Member, Global Unichip Corp. Director, Medtech Investment Co. Ltd.
Independent Director	Ming-To Yu	Vice Chairman, Egis Technology Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Cyber Security Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Tongtai Machine & Tool Co., Ltd. Director, ULSee Co, Ltd. Director, GIXIA GROUP CO. Chairman, Yishing Technology Ltd. Chairman, Vitrio Technology Corporation
Independent Director	T.C. Chen	Fellow, IBM Vice President Science & Technology, IBM Independent Director & Audit Committee Member, AP Memory Technology Corp.

IV. Appendices

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

Section I General Provisions

- Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 力旺電子股份有限公司 in the Chinese language, and eMemory Technology Inc. in the English language.
- Article 2 The scope of business of the Company shall be as follows:
CC01080 Electronic Parts and Components Manufacturing
I501010 Product Designing
F601010 Intellectual Property (IP)
CC01050 Data Storage and Processing Equipment Manufacturing
Research, development, manufacturing and sales of the following products:
1. Flash memory Integrated Circuits (IC)
2. Embedded flash memory IC IP
3. Memory card output/input controllers
4. Memory card and digital film related products
- Article 3 The registered head office shall be in Hsinchu Science-Based Industrial Park, Taiwan, Republic of China. Upon approval of government authorities in charge, the Company may also have branch offices at such other places both within and without the territory of the Republic of China as the Board of Directors (hereinafter, “the Board”) may from time to time determine or the business of the Company may require.
- Article 4 The Company may provide endorsement and guarantee and act as a guarantor. The relevant rules shall be effective from the date it is approved by the Shareholders' Meeting (hereinafter, “the Meeting”). The same applies to any amendments thereto.
- Article 5 The total amount of the Company’s reinvestment shall not be subject to the restriction as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board.
- Article 6 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Section II Capital Stock

- Article 7 The total capital stock of the Company shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at ten (10) New Taiwan Dollars each, within which the Board is authorized to issue shares in installments.
The Company may issue employee stock options from time to time by resolutions of the Board. A total of 8,000,000 shares among the above total capital stock should be reserved for the issuance of employee stock options.
- Article 7-1 With the approval of two-thirds or more of attending shareholders representing more than 50% of the total issued and outstanding shares at the Meeting, subscription price of employee warrants can be exempted from the restriction included in Article 53 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.” The issuance can be carried out in several batches within one year after the resolution is adopted at the Meeting.
- Article 8 The share certificates of the Company shall all be name-bearing and consecutively numbered, and shall be signed by or affixed with the seals of three or more directors, and authenticated by the competent authority of the government or the certification organization approved by the competent authority. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.
- Article 9 The Company shall attend to affairs pertinent to its shares in accordance with relevant laws and regulations.
- Article 10 The Company may issue new shares in accordance with relevant rules and regulations.

Section III Meetings of Shareholders

- Article 11 Shareholders’ Meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with relevant laws, rules, and regulations.
Each shareholder holding 1% or more of the total issued and outstanding stock of the Company may submit a proposal to request the Board to include such proposal as an agenda of a regular shareholders’ meeting, provided that only one proposal may be submitted by the same shareholder and that if more than one proposals are submitted, none shall be included in the agenda. Each proposal shall not exceed 300 words in length; otherwise, it shall be excluded from the agenda.

Article 12 Shareholders may assign proxy to attend the Meeting on his or her behalf. The proxy shall present the proxy statement, specifying the scope of proxy, issued by the Company and affixed with the Company's seal. Each shareholder may also vote at the Meeting by electronic means of communication. According to regulatory requirements, shareholder who votes electronically shall be deemed as attending the Meeting in person. Electronic voting shall be conducted in accordance with relevant laws and regulations.

Article 13 Unless otherwise provided by the Company Act, each shareholder shall, at every meeting of the shareholders, be entitled to one (1) vote in person or by proxy for each share of the capital stock having voting power held by such shareholder.

Article 14 Shareholders' Meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the Meeting with the concurrence of a majority of the votes held by shareholders present at the Meeting.

Article 15 The resolutions of the Meeting shall be recorded in the minutes, and such minutes shall be signed by or affixed with the seal of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Company.

Section IV Directors and Management of the Company

Article 16 The Company shall have nine (9) to eleven (11) directors to be elected at the Meeting through a nominating system from persons of legal capacity to serve a term of three years. A director may be re-elected. At least three (3) directors shall be independent directors. The compensation for the Chairman and Directors shall be determined by the Board and shall be based on each director's participation and contribution to the Company's operation and shall take global industry standards into account.

The percentage of shares held by the directors shall be governed by the competent authority.

The Company's directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act. Election of directors of the Company shall be held at the Meeting.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act.

Article 16-1 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all

independent directors. The Audit Committee or the members of Audit Committee shall be held accountable for responsibilities specified under the Company Act, the Securities and Exchange Act and other regulations.

Article 17 The institutional shareholders of the Company reserve the rights to appoint representatives as candidates for director nomination, and replace appointed representatives serving as directors prior to the end of their terms.

Article 18 The Board shall be organized by the Directors. The Chairman shall be elected among the Directors by approval of a majority of the Directors present at a meeting attended by two-thirds or more of all Directors. The Chairman shall have the authority to represent the Company. In the case where the Chairman is on leave or cannot exercise his or her authority with due cause, a proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 19 Unless otherwise specified by law, the Board meetings shall be convened by the Chairman. The director with the majority of the votes shall convene the first meeting in each new term of the Board.
Directors shall attend all Board meetings in person. If the meeting is conducted through video conferencing, any director attending the meeting via video conference shall be deemed present at the meeting in person.
A director may, by written authorization, appoint another director to attend on his or her behalf any meeting of the Board, and to vote for him or her on all matters presented at the meeting, but no director may act as proxy for more than one director. A director residing overseas may appoint other shareholders to attend the Board meetings on his or her behalf, granted that he or she has notified the competent authority of the appointment.
Meetings of the Board shall be convened upon written notice mailed, e-mailed, or fax to all directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and the agenda. The meeting of the Board shall be held at least once every quarter, or at any time.

Article 20 Each director shall, for every resolution for which a vote is required, entitled to one (1) vote. Unless otherwise specified in the Company Act or the Articles of Incorporation, the resolutions of the Board shall be adopted by a majority vote of those Directors present at a meeting attended by a majority of all Directors. The resolutions of every Board Meeting shall be recorded in the meeting minutes.

Article 21 The Company shall indemnify its directors by reason of the fact that he or she is or was a director of the Company. The Company shall purchase insurance on behalf of its directors to mitigate loss and manage risks.

Article 22 The Company may, by resolution of the Board, appoint one Chief Executive Officer and one or more Vice President(s) or such officer(s) to meet the

Company's operational or managerial needs. The appointment, dismissal, and remuneration packages for the officers are determined in accordance with Article 29 of the Company Act.

Section V Financial Reports

Article 23 The fiscal year of the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the Company shall prepare final accounts for that year.

Article 24 After the close of each fiscal year, the following reports shall be prepared by the Board, and be submitted to the Meeting for acceptance, and be reviewed by the competent authority.

1. Business Report
2. Financial Statements
3. Proposal Concerning Appropriation of Profits or Losses

Article 25 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.

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.

Article 25-1 If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses, if any.
3. Legal reserve, which is 10% of remaining net profits after deducting the aforementioned items. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and retained earnings from previous years will be allocated as shareholders' dividend. The Board will prepare a distribution proposal and submit it to the Meeting for review and approval by a resolution.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment and capital needs, and capital budgeting plans. The proposal should strike a balance between the shareholders' benefits and the Company's long-term financial plans. Dividends to shareholders shall not be less than 50% of the remaining retained earnings available for distribution and may be

distributed in cash or in stock. Cash dividends shall not be lower than 10% of total dividends to shareholders. Each year the Board shall prepare a profit distribution proposal and present it at the Meeting for approval.

Article 26 Dividends will be paid to the shareholders of record as of the ex-dividend date.

Section VI Supplementary Provisions

Article 27 Detailed procedures of business operations shall be determined by the Board.

Article 28 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and relevant rules and regulations of the Republic of China shall govern.

Article 28-1 The Company may withdraw from public offering upon shareholder approval at the Meeting and submission of a request for withdrawal to the competent authority.

Article 29 These Articles of Incorporation were enacted on August 8, 2000.
The first amendment was made on June 15, 2001.
The second amendment was made on June 5, 2002.
The third amendment was made on May 7, 2003.
The fourth amendment was made on May 18, 2004.
The fifth amendment was made on May 18, 2006.
The sixth amendment was made on May 16, 2007.
The seventh amendment was made on May 15, 2008.
The eighth amendment was made on May 26, 2009.
The ninth amendment was made on May 18, 2010.
The tenth amendment was made on June 10, 2011.
The eleventh amendment was made on June 19, 2012.
The twelfth amendment was made on June 18, 2014.
The thirteenth amendment was made on June 9, 2015.
The fourteenth amendment was made on June 14, 2016.
The fifteenth amendment was made on June 13, 2017.

**Rules of Procedure for Shareholders Meetings
of
eMemory Technology Inc.
(the “Company”)**

Adopted by the Shareholders’ Meeting on June 10, 2020

Article 1 Scope of the Rules

The rules of procedure for the Shareholders’ Meetings of the Company, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 2 The "shareholder" referred to in the Rules of Procedure means the shareholder himself/herself/itself and the proxy appointed by the shareholder in accordance with the laws and regulations.

Article 3 The Convention and Meeting Notice of Shareholders’ Meeting

1. The Shareholders’ Meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.
2. The Company shall prepare electronic versions of the Shareholders’ Meeting notice and proxy forms, and the origins, as well as explanatory materials, relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular Shareholders’ Meeting or 15 days before the date of a special Shareholders’ Meeting. The Company shall prepare electronic versions of the Shareholders’ Meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular Shareholders’ Meeting or 15 days before the date of the special Shareholders’ Meeting. In addition, 15 days before the date of the Shareholders’ Meeting, the Company shall also have prepared the Shareholders’ Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
3. The reasons for convening a Shareholders’ Meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
4. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, using earnings to increase capitalization, using reserve to increase capitalization, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the

Shareholders' Meeting, as well as the essential contents shall be explained. None of the above matters may be raised by an extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

5. Where the matter of that all directors of the Company will be re-elected has been set out in the causes of a meeting of shareholders to be convened, and the date for the elected directors to assume their office is also indicated in, after the re-election is completed in such a shareholders' meeting, the date for the elected directors to assume their office shall not be altered by bring up as extemporary motions or by other means.
6. A shareholder holding 1 % or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular Shareholders' Meeting. Such proposal is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the proposed proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at the shareholders' meeting by the Board of Directors. In addition, when any one of the circumstances set forth in each subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.
7. Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, methods of acceptance in writing or by way of electronic transmission and the location and time period for their submission; the period for submission of shareholder proposals shall not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular Shareholders' Meeting and take part in discussion of the proposal.
8. Prior to the date for issuance of notice of a Shareholders' Meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Delegation of Attendance at Shareholders' Meeting and Authorization

1. For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given Shareholders' Meeting, and shall deliver the proxy form to the Company before 5 days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to the Company, if the shareholder intends to

attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Principles Determining the Time and Place of a Shareholders' Meeting

The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 Matters related to Attendance and Preparation of Documents such as the Attendance Book

1. The Company shall specify in its Shareholders' Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
3. Shareholders and their proxies (collectively, "shareholders") shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials; where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 The Chair and Non-voting Participants of a Shareholders' Meeting

1. If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve

as chair.

2. When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that Shareholders' Meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a Shareholders' Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.

Article 8 Documentation of a Shareholders' Meeting by Audio or Video

1. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Calculation of Attending Share Number and Calling a Meeting

1. Attendance at Shareholders' Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within 1 month.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

Article 10 Discussion of Proposals

1. If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The proposals (including extemporary motion and the amendment to original proposal) shall require a voting by poll on every resolution. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote with arranging sufficient time for the vote.
5. After the meeting is adjourned, the shareholders shall not elect a new chair to continue the meeting at the same place or another place. However, if the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected by agreement of a majority of the votes represented by the attending shareholders.

Article 11 Shareholder Speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chair may respond in person or direct

relevant personnel to respond.

Article 12 Calculation of Voting Shares and Recusal System

1. Voting at a Shareholders' Meeting shall be calculated based the number of shares.
2. With respect to resolutions of Shareholders' Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 Method for Monitoring and Counting the Vote on a Proposal

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2, Article 179 of the Company Act.
2. When the Company holds a shareholders' meeting, it shall make the shareholders to exercise voting rights by electronic means and may make it by correspondence means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic

means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

4. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
5. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
6. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for Shareholders' Meeting proposals or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 Election of Directors

1. The election of directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Meeting Minutes

1. Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes and dealt with pursuant to Article 183 of the Company Act.
2. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and the results of voting (including the statistical weights of the numbers of votes). In the event of Director election, the number of the votes to each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16 Public Disclosure

1. On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an

express disclosure of the same at the place of the Shareholders' Meeting.

2. If matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under GreTai Securities Market regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Maintaining Order at the Meeting Place

1. Staff handling administrative affairs of a Shareholders' Meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. People who attend to the Shareholders' Meeting shall not bring anything which will harm to the life, body, freedom of others or safety of the property.
4. During the Shareholders' Meeting, the chair may ask the police for helping maintain order at the meeting place.
5. At the place of a Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
6. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 Recess and Resumption of a Shareholders' Meeting

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 Anything not provided herein shall be governed by the related statutes and regulations.

Article 20 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Article 21 These Rules were adopted by the Shareholders' Meeting on June 14, 2001. The first amendment was made on September 29, 2009. The second amendment was made on June 19, 2012. The third amendment was made on June 18, 2014. The fourth amendment was made on June 9, 2015. The fifth amendment was made on June 10, 2020.

**Rules of Procedure for Board of Directors Meetings
of
eMemory Technology Inc.
(the “Company”)**

Amended by the Board of Directors on October 25, 2017

- Article 1 (Basis for the Adoption of these Rules)
To establish a well governing system for Board of Directors, develop monitoring functions and enhance management capability, these Rules are adopted pursuant to Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.
- Article 2 (Scope of these Rules)
The main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for Board of Directors meetings of the Company shall be conducted in accordance with the provisions of these Rules.
- Article 3 (Convention and Meeting Notice of Board Meetings)
The Board of Directors meetings of the Company shall be convened at least quarterly. The reasons for calling a Board of Directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.
The notice set forth in the preceding paragraph may be made by means of writing, electronic mail (E-mail) or facsimile.
All matters set out in each subparagraphs of paragraph 1 of Article 12 in these Rules, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.
- Article 4 (Meeting Notice and Meeting Materials)
The Stock Affair unit is appointed by the Board of Directors of the Company as the agenda working group.
The agenda working group shall prepare agenda items for Board of Directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.
If the Directors consider the meeting materials to be insufficient, they may request the agenda working group for providing supplemental materials in advance. If the Directors consider meeting materials concerning any proposal to be insufficient during

the meeting, the deliberation or resolution of such proposal may be postponed upon a resolution of the Board of Directors.

Article 5 (Attendance Booklet and Proxies)

When a Board meeting is convened, an attendance booklet shall be made ready for signature by Directors attending the meeting and thereafter made available for future reference.

All Directors shall attend Board meetings in person; if attendance in person is not possible, they may, pursuant to the Articles of Incorporation of the Company, appoint another Director to attend as their proxy. Attendance via video conference is deemed as attendance in person. In such a case, the Director shall send the document of signature for attendance via facsimile in lieu of signing on the attendance booklet.

A Director appointing another Director to attend a Board meeting in his or her place shall in each case give to that Director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under preceding paragraph shall not act as proxy for more than one Director.

Article 6 (Place and Time of Board Meetings)

Board meetings shall be held at the head office and during the office hours of the Company or at any other appropriate place and time convenient for the Directors to attend and suitable for holding such a meeting.

Article 7 (Chairperson and Proxy of Board Meetings)

Board meetings shall be convened and presided over by the Chairman of the Board of Directors. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after such election; if there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.

If the Chairman is on leave or unable to exercise his powers for any cause, the Chairman shall appoint a Director to act on his behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.

Article 8 (Referencing Materials, Other Attendants and Convention of Board Meetings)

The unit designated by the Board of Directors shall prepare meeting materials for Directors' reference anytime during the Board meeting.

Depending on the subject matters of proposed agenda, personnel of relevant departments or subsidiary may be invited to present at Board meetings. When necessary, certified public accounts, attorneys, or other professionals may be invited to the meetings as well. However, they shall leave the meeting when deliberation or voting takes place.

The chairperson shall call the meeting to order at the time scheduled for the meeting. If half or more of the Directors are not present at the scheduled time for a Board meeting, the chairperson may postpone the time of the meeting, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-convene the meeting by following the procedures provided in paragraph 2 of Article 3.

The term “all Directors” as mentioned in the preceding paragraph and subparagraph 2 of paragraph 2 in Article 16 shall be calculated as the number of Directors then in office.

Article 9 (Recording of Board Meeting Process)

The Company shall record on audio or video the entire proceedings of a Board meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If any litigation arises in connection with a resolution of a Board of Directors meeting before the end of the preservation period referred to in the preceding paragraph, the relevant audio or video record shall continue to be preserved until the litigation is concluded, which the provision in preceding paragraph shall not be applicable.

Where a Board meeting is held via video conference, the video record shall be a part of the meeting minutes and shall be preserved during the existence of the Company.

Article 10 (Content of the Agenda)

Content of the agenda for regular Board meetings shall include at least the following:

1. Report items:
 - (1) Minutes of the last meeting and actions arising.
 - (2) Reporting on important financial and business matters.
 - (3) Reporting on internal audit activities.
 - (4) Other important matters to be reported.
2. Discussion items:
 - (1) Items discussed and continued from the last meeting.
 - (2) Items for discussion at this meeting.
3. Extraordinary motions.

Article 11 (Discussion of Proposals)

A Board meeting shall be conducted in accordance with the order of agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of Directors present at the meeting.

With respect to the scheduled agenda items and extraordinary motions mentioned in the preceding paragraph, the chairperson shall not announce adjournment of the meeting without the approval of a majority of Directors present at the meeting.

At any time during the proceeding of a Board meeting, if the number of Directors present at the meeting becomes less than half of the Directors originally attending the

meeting, the chairperson shall announce a suspension of meeting upon a motion made by any Director present at the meeting; in which case, paragraph 3 of Article 8 of these Rules shall apply mutatis mutandis.

Article 12 (Matters Shall be Submitted to Board Meetings for Discussion)

The material matters listed below shall be submitted to the Board of Directors meetings for discussion:

1. The Company's business plans.
2. Annual financial statements.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (herein after referred to as the "Act"), and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

At least one Independent Director shall attend each Board meeting in person; In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors under paragraph 1, each Independent Director shall attend in person. If an Independent Director is unable to attend in person, he or she shall appoint another Independent Director to attend as his or her proxy. If an Independent Director expresses any objection or reservation about a matter, it shall be recorded in the Board

meeting minutes. An Independent Director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13 (Vote I)

The chairperson may announce the discussion closed and bring the matter to a vote if the chairperson at a Board meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote.

Resolutions shall be deemed adopted if no objection is voiced by any of the attending Directors after solicitation by the chairperson. If objection is voiced after inquiry by the chairperson, such resolution shall be brought to a vote.

The method of voting shall be one of the following as determined by the chairperson:

1. By showing of hands or voting machines.
2. By roll call vote.
3. By casting ballots.
4. By method selected by the Company.

"All Directors present at the meeting" in paragraph 2 does not include Directors prohibited from exercising voting rights pursuant to paragraph 1 of Article 15.

Article 14 (Vote II and Vote Monitoring, Ballots Counting)

Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a Board meeting requires the approval of a majority of the Directors present at the meeting that shall be attended by a majority of all Directors.

If there is an amendment to or substitute for a proposed resolution, the chairperson shall decide the sequence of voting for such proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.

If a vote on a proposal requires person(s) to monitor the voting process and counting the ballots, the chairperson shall appoint such personnel; however, all monitoring personnel shall be Directors.

The result of voting shall be announced at the meeting and placed on record.

Article 15 (The Recusal of Conflict-Interested Directors)

If a Director or the judicial person represented by a Director has a personal interest in the matter under discussion at the meeting, the relevant Director shall disclose the nature of such personal interest. If such interest may impair the interest of the Company, the relevant Director shall not join the discussion and voting of such matter, and shall enter recusal during the discussion and resolution; nor shall the relevant Director exercise voting right on behalf of another Director.

The provisions of paragraph 2 in Article 180 of the Company Act, as applied mutatis mutandis under paragraph 3 in Article 206 of that Act, apply to resolutions of Board

meetings when a Director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 16 (Meeting Minutes and Items to be Signed)

The resolutions of every Board meeting shall be recorded in the meeting minutes. The meeting minutes shall record the following:

1. The term (or year), place, and time of the meeting.
2. The name of the chairperson.
3. The attendance situation of the Directors, including the names and numbers of those who are present, on leave, and absent.
4. The names and titles of the other attendants.
5. The name of minute taker.
6. Report items.
7. Discussion items: the voting method and the result of each proposal; a summary of comments made by the Directors, experts, and other personnel; the names of the Directors that disclosed a conflict of interest under paragraph 1 in Article 15 of these Rules, a summary of the nature of the conflict of interest, the reasons why the Director was required or no required for entering recusal, and the circumstances of recusal; any dissenting or preservation opinion expressed at the meeting included in records or stated in writing; and any written statement provided by the Independent Directors pursuant to paragraph 4 in Articles 12 of these Rules.
8. Extraordinary Motions: the names of the persons proposing the extraordinary motions; the voting method and the result of each proposal; a summary of comments made by the Directors, experts, and other personnel; the names of the Directors that disclosed a conflict of interest under paragraph 1 in Article 15 of these Rules, a summary of the nature of the conflict of interest, the reasons why the Director was required or no required for entering recusal, and the circumstances of recusal; any dissenting or preservation opinion expressed at the meeting included in records or stated in writing.
9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a Board meeting shall be stated in the meeting minutes and within two days of the meeting be published on the website of the Market Observation Post System designated by the Financial Supervisory Commission:

- (1) Any matter about which an Independent Director expresses an objection or reservation that has been included in records or stated in writing.
- (2) Any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all Directors.

The attendance booklet forms a part of the minutes for each Board meeting and shall be well preserved during the existence of the company.

The minutes of a Board meeting shall bear the signatures or seals of both the meeting chairperson and the minute taker; a copy of the minutes shall be distributed to each Director within 20 days after the meeting and well preserved as important records of the Company during the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 (The Delegation Principal of Board of Directors)

Except the matters referred to in paragraph 1 of Article 12 which are required for proposing to the Board of Directors for discussion, the Board of Directors of the Company may authorize the Chairman to exercise its powers pursuant to the Articles of Incorporation of the Company during the suspension of Board of Directors meeting, the substances of the delegation are set forth in the following:

1. Approval of material and significant contracts.
2. Budget planning.
3. Approval of real estate mortgage and other loans.
4. Apply to the financial institutions for loan, guarantee, acceptance.
5. Approval of acquiring and disposing of the regular property and real estate.
6. Appointment of director or supervisor for invested company.
7. Approval of the record date of a capital increase or reduction, the record date of distribution of cash dividends, the record date of distribution of stock dividends or subscription, change of the distribution ratio of dividends.

Article 18 (Supplement)

The establishment and amendment of these Rules shall be approved by the Board of Directors, and reported to the Shareholders' Meeting.

Article 19 (History of these Rules)

These Rules was established during the sixth meeting of third term of Board of Directors on December 28, 2006; The first amendment was made during the fourteenth meeting of third term of Board of Directors on February 21, 2008; The second amendment was made during the fourth meeting of fifth term of Board of Directors on October 23, 2012; The third amendment was made during the sixteenth meeting of fifth term of Board of Directors on February 12, 2015; The fourth amendment was made during the fourteenth meeting of sixth term of Board of Directors on October 25, 2017.

**Rules for Election of Directors
of
eMemory Technology Inc.
(the “Company”)**

Adopted by the Shareholders’ Meeting on June 13, 2017

- Article 1 Unless otherwise provided in the Company Act or the Articles of Incorporation of the Company, the directors of the Company shall be elected in accordance with these Rules herein.
- Article 2 The election of directors of the Company shall be held at the Shareholders' Meeting. The Company shall prepare ballots and note the number of voting rights. In the election of directors of the Company, the candidate nomination system provided in Article 192-1 of the Company Act shall be adopted, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The election of independent directors and non-independent directors shall be held together in the election of directors of the Company, and the number of independent directors and non-independent directors shall be calculated separately.
- Article 3 In the election of directors of the Company, the cumulative voting method shall be adopted. The attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4 The number of directors will be as specified in the Articles of Incorporation of the Company, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, and exceed the specified number of positions, they shall draw lots to determine the winner; the chairperson will draw lots on behalf of the person(s) not in attendance.
- Article 5 Before the election begins, the chairperson shall appoint a number of shareholders to perform the duties of vote monitoring and counting respectively.
- Article 6 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 7 If a candidate is a shareholder, a voter must fill the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a

non-shareholder, the voter shall fill in the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be filled in the column for the candidate's account name in the ballot, or both the name of the governmental organization/juristic-person shareholder and the name of its representative may be filled in. When there are multiple representatives, the name of each representative shall be filled in.

Article 8 A ballot is invalid under any of the following circumstances:

- (1) Ballots not placed in the ballot box.
- (2) Ballots not prepared by the Board of Directors.
- (3) Blank ballots not completed by the voter.
- (4) If the candidate is a shareholder of the Company, the account name or shareholder account number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder of the Company, the name or ID card number of the candidate filled in the ballot is found incorrect.
- (5) In addition to the candidate's account name, shareholder account number (ID card number) and the number of voting rights allotted, other words or marks are filled in.
- (6) The writing is unclear and indecipherable or has been altered.
- (7) Two or more candidates are filled in one ballot.
- (8) The name of the candidate filled in the ballot is identical to that of another shareholder, but no shareholder account number or ID card number is provided in the ballot to identify such individual.

Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the list of persons elected as directors shall be announced by the chairperson on the site.

Article 10 The Board of Directors of the Company shall issue notifications to persons who are elected as directors.

Article 11 Anything not provided herein shall be governed by the Company Act and related statutes and regulations.

Article 12 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Article 13 These Rules were adopted by the Shareholders' Meeting on May 7, 2003. The first amendment was made on May 15, 2008. The second amendment was made on June 9, 2015. The third amendment was made on June 13, 2017.

Shareholdings of All Directors

1. The paid-in capital of the Company is NT\$ 760,797,420, the number of total issued shares is 76,079,742.
2. According to Article 26 of the Securities and Exchange Act, the minimum required combined shareholding of all Directors shall be 6,086,379 shares.
3. Up to the date on which share transfer registration is suspended before the convention of this shareholders' meeting, the status of shareholdings of individual and all Directors registered on the shareholders roster is set forth below:

April 12, 2021

Title	Name	Holding Shares	Shareholding Ratio
Chairman	Charles Hsu	1,629,407	2.14%
Director	Li-Jeng Chen	2,345,000	3.08%
Director	Mu-Chuan Hsu	1,273,179	1.67%
Director	How-Han Investment Corporation Representative: Teresa Cheng	1,131,697	1.49%
Director	How-Han Investment Corporation Representative: Jason Hsu		
Director	Rick Shen	147,000	0.19%
Independent Director	Kenneth Kin	0	0
Independent Director	Ming-To Yu	0	0
Independent Director	T.C. Chen	0	0

The number of shares held by the all Directors is 6,526,283, which is by the ratio of 8.57% to the total issued shares.

< Appendix 6 >

The Impact of Stock Dividend Issuance on Business Performance, EPS and Shareholder Return Rate:

There is no stock dividend will be issued in this year, this is not applicable.

< Appendix 7 >

Explanation to the Exclusion of Proposal(s) Submitted by the Shareholder(s) Holding 1% or More of the Total Number of Outstanding Shares of the Company:

No proposal was submitted by the shareholders during the period (March 15, 2021 to March 25, 2021) for accepting shareholders' proposal.

< Appendix 8 >

Information Related to Employees' Compensation and Directors' Remuneration:

The employees' compensation and Directors' remuneration of 2020 had been resolved by the Board of Directors on February 24, 2021, the distribution of mentioned compensation and remuneration is set forth below:

1. The distribution of employees' compensation is in an amount of NT\$ 149,451,920.
2. The distribution of Directors' remuneration is in an amount of NT\$ 14,945,192.
3. There is no difference between the distributed amounts mentioned above and the assessed amounts of employees' compensation in NT\$ 149,451,920 and Directors' remuneration in NT\$ 14,945,192.

The reason for difference: None.

The disposal of the difference: Not applicable.

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