

eMemory Technology Inc.
2022 General
Shareholders' Meeting

Agenda



Time: 9:00AM, June 15, 2022

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 2022 General Shareholders' Meeting

1. Commencement of the Meeting
2. Chairman's Address
3. Reported Matters
4. Acknowledged Matters
5. Election Matter
6. Matters for Discussion
7. Extemporaneous Motions
8. Adjournment

II. Meeting Agenda

eMemory Technology Inc.
Meeting Agenda of 2022 General Shareholders' Meeting

Time : 9:00 AM (on Wednesday) June, 15, 2022

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

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

1. Commencement of the Meeting

2. Chairman's Address

3. Reported Matters

- (1) Report on the Business of 2021.
- (2) Audit Committee's Review Report of 2021.
- (3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2021.

4. Acknowledged Matters

- (1) Adoption of the Business Report and Financial Statements of 2021.
- (2) Adoption of the Proposal for Profit Distribution of 2021.

5. Election Matter

- (1) By-election for One Director of the 8th Term.

6. Matters for Discussion

- (1) Proposal to Distribute the Cash from Capital Surplus.
- (2) Amendment to the "Articles of Incorporation".
- (3) Amendment to the "Procedures for Acquisition or Disposal of Assets".
- (4) Release of Directors from Non-Competition Restrictions.

7. Extemporaneous Motions

8. Adjournment

3. Reported Matters

Report No. 1 Proposed by the Board of Directors

- Subject : Report on the Business of 2021.
Explanation : 1. The status of business operation in 2021 is reported by the President.
2. Please refer to the 2021 Business Report (Attachment 1, pages 12 to 13).

Report No. 2 Proposed by the Board of Directors

- Subject : Audit Committee's Review Report of 2021.
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 2021.
Explanation : 1. The employees' compensation and Directors' remuneration of 2021 is resolved by the Board of Directors on February 23, 2022, 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\$ 231,808,483.
3. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 23,180,848.
4. There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

4. Acknowledged Matters

Proposal No. 1

Proposed by the Board of Directors

- Subject : Adoption of the Business Report and Financial Statements of 2021.
- Explanation : 1. The 2021 Business Report and Financial Statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows) have been approved by the 5th Meeting of the Board of Directors of the 8th Term on February 23, 2022, 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 2021 Business Report (Attachment 1, pages 12 to 13), Independent Auditors' Report and Financial Statements (Attachment 3, pages 15 to 32).
- Resolution :

Proposal No. 2

Proposed by the Board of Directors

- Subject : Adoption of the Proposal for Profit Distribution of 2021.
- Explanation : 1. The net profit of the Company for 2021 was NT\$ 1,101,157,065. In accordance with Article 25-1 of the Company's Articles of Incorporation, a provision of NT\$ 1,252,308 was added for the reversal of former pension preserve liabilities in accordance with the pension actuarial report. The Company recognized a loss of NT\$ 5,545,054 on the disposal of investments in equity instruments at fair value through other comprehensive income. The Company also set aside 10% legal reserve in an amount of NT\$ 109,686,432, and reversed the special reserve of NT\$ 29,115,724. The beginning balance of unappropriated earnings of NT\$ 162,949,562 was also added, amounting to NT\$ 1,179,243,173 of accumulated retained earnings available for distribution.
2. It is proposed to set aside shareholders' dividends in an amount of NT\$ 931,989,900 from the surplus earnings, and all of the dividends are proposed to be distributed in cash. (cash dividends will be distributed by NT\$ 12.5 per share, this is calculated by basing on the issued 74,559,192 outstanding shares up to February 22 2022, 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 affected due to the employee's execution of stock option, granting the restricted stock awards, repurchase of the Company's common share or transfer of the repurchased shares, cancellation of the shares which causes the ratio of dividend distribution per share to be changed, is the General Shareholders' Meeting proposes to authorize the Chairman to make any adjustment and proceed on the relevant matters.
5. Please refer to the proposed 2021 Statement of Profit Distribution (Attachment 4, page 33).

Resolution :

5. Election Matter

Proposal No. 1

Proposed by the Board of Directors

- Subject : By-election for One Director of the 8th Term.
- Explanation : 1. There is a vacancy in the 8th Board of Directors, which will be elected to fill the vacancy in this General Shareholders' Meeting.
2. The term of office of the newly elected Director in this election shall be the same as the original term of office of the Director, which is started from June 15, 2022 and ended on July 14, 2024. The election of Board of Director shall be performed in accordance with Article 16 of the Articles of Incorporation of the Company by adopting the candidate nomination system, that the shareholders shall elect the Director from among the nominees listed in the roster of Director candidates.
3. The list of the candidate for Director was adopted by the 6th Meeting of the 8th Board of Directors on April 25, 2022. Please refer to the list (Attachment 5, page 34).
4. An election is thus requested.
- Voting Result :

6. Matters for Discussion

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\$ 111,838,788 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 74,559,192 outstanding shares up to February 22, 2022, 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 affected due to the employee's execution of stock option, granting the restricted stock awards, repurchase of the Company's common share or transfer of the repurchased shares, cancellation of the shares which causes the ratio of cash distribution to be changed, is the General Shareholders' Meeting proposes to authorize the Chairman to make any adjustment and proceed on the relevant matters.

Resolution :

Proposal No. 2

Proposed by the Board of Directors

Subject : Amendment to the "Articles of Incorporation".

Explanation : 1. According to the amended "Company Act" and the demands of business operation, the "Articles of Incorporation" of the Company is amended.

2. Please refer to the Comparison Table for Content of Articles Before and After Revisions (Attachment 6, pages 35 to 40).

Resolution :

Proposal No. 3

Proposed by the Board of Directors

- Subject : Amendment to the “Procedures for Acquisition or Disposal of Assets”.
- Explanation : 1. According to the amended “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” set forth in the Rule No. 1110052109 issued by the Taipei Exchange on February 9, 2022, the “ Procedures for Acquisition or Disposal of Assets.
2. Please refer to the Comparison Table for Content of Articles Before and After Revisions (Attachment 7, pages 41 to 51).
- Resolution :

Proposal No. 4

Proposed by the Board of Directors

- Subject : Release of 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. To coordinate the actual need for business, and subject to the benefit of the Company is not impacted, it is proposed to remove the prohibition on Directors form participation in competitive business, please refer to the Update of Concurrent Positions Held by the Directors (Attachment 8, page 52).
- Resolution :

7. Extemporary Motions

8. Adjournment

III. Attachments

2021 Business Report of eMemory Technology Inc.

Dear Shareholders,

In the past year, we have all experienced the effects of the pandemic and the changes in the economy. Under the leadership of our Chairman and new President, eMemory has made strides in our achievements and continued our growth. Here, we would like to share our successes and results of 2021 with shareholders.

In the following, we will report our operating results for 2021.

Operating results: The overall revenue was NT\$ 2,363.82 million. The license fee contributed NT\$ 702.85 million, which accounts for 29.7% of revenue, whereas royalty contributed NT\$ 1,660.97 million, which accounts for 70.3% of the revenue. Compared to 2020, the license fee is up 43.4%, and the royalty is up 29.1%. The royalty from NeoFuse technology grew 91.6% because of increasing production from advanced nodes. In addition, the license fee of PUF-Based Security IPs has grown by 140.9%, which will lead to more applications of security products.

Financial results: Our operating profit is NT\$ 1,268.81 million and up 54.2% compared to 2020. Net income attributable to the owners of the company is NT\$ 1,101.16 million, up 55.5% yearly. The earning per share is NT\$ 14.78, which increased by 55.3% compared to 2020.

The net cash flow increased by NT\$ 728.65 million due to revenue growth.

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

In terms of technology development, NeoBit and NeoFuse have completed more verifications at major foundries for 28nm to 5nm. For NeoEE and NeoMTP, we are continuing to build platforms for 8-inch BCD and expanding in the high voltage process, and also started 90nm and 55nm development. Furthermore, ReRAM and MRAM have entered 22nm development. These are the most complete and competitive MTP solutions we can offer to our customers.

In terms of mass production platforms, OTP has advanced to 6nm in logic processes, and the BCD platform for 90nm and 55nm entered pilot production. For MTP, 90nm BCD and 40nm ReRAM have also completed reliability verification. This year, the number of 28nm and 40nm NeoFuse wafers that entered mass production has increased significantly. The 16/12nm and 7nm FinFET processes have also entered mass production and started receiving royalty, proving the maturity and reliability of eMemory's technology. Our technology enables customers to bring their products to the market and enter mass production in the shortest possible time. In addition, for the past two years, many foundries have been actively expanding their 28/22nm production capacity, which will boost our royalty revenue when the production capacity starts ramping up in the second half of this year.

In 2021, eMemory covered a wide range of customers from wafer foundries, IDMs and chip design houses. Our partners have accumulated to more than 37 foundries and 1,950 chip design companies, with more than 5,800 new product tape-outs worldwide. The mass production scale of wafers embedded with eMemory's IPs exceeded 7.1 million in 8-inch equivalent wafers and accumulated to more than 39.6 million wafers production wafers.

For 2022 and beyond, existing product applications (OLED/LCD Driver IC, TDDI, PMIC, Type-C, Finger Print, DTV, Surveillance and STB chips) will continue to increase market penetration. Furthermore, new product applications (ISP, DRAM, SSD controller, Wireless charger, FPGA and Connectivity ICs) will bring more significant contributions. In addition, eMemory and our subsidiary, PUFsecurity, have launched a series of PUFsecurity IPs to create solutions that meet the security needs of future Artificial Intelligence (AI), Internet of Things (IoT), wearable devices, cloud applications, and various high-speed computing. The reconfigurable capability of software applications can be easily exploited by attackers and become a security vulnerability. To counter that, we provide the PUF-based (Physical Unclonable Function) hardware security root of trust to ensure the secure execution environment and all kinds of software applications. The security requirements of Apple, Google, Android, Windows, and other application ecosystems have led to more development and business opportunities in the chip security market. All kinds of application chips (CPU, DPU, AI SoC, FPGA, IoT, MCU, etc.) need embedded hardware security root of trust to strengthen the security of cloud services and software applications. We built eMemory and PUFsecurity's IP on our existing OTP process platform. They are widely available to customers in a wide range of processes at major foundries, with 7nm and 5nm completed and 4nm under development. In terms of the CPU IP platform, we are currently working with Arm to introduce the PUFrt (root of trust IP) design into the next generation of confidential computing CPU architecture (Armv9). We are also working with Andes to complete the RISC-V security solutions. All the applications will drive the growth momentum of eMemory this year and in the future.

eMemory is ranked as one of the top 10 IP companies in the world, received TSMC's IP Partner Award for 12 consecutive years, and is the No.1 player in logic NVM technology. Regarding corporate governance, eMemory was awarded "Top 5% Companies" in the Corporate Governance Evaluation by the Securities and Futures Market Development Foundation in 2021. This competence results from our spirit of innovation and teamwork, excellent service quality, and strengthening corporate governance. We are very confident that eMemory has entered a new wave of growth with a solid foundation. We are also optimistic that we can continue our growth momentum, allowing technology development and product application to expand, global marketing activities to become more frequent, and results to continue to grow, creating greater returns for our shareholders.

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

Chairman:
Charles Hsu

President:
Michael Ho

Accounting Officer:
Teresa Kuo

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 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. 2022 General Shareholders' Meeting

eMemory Technology Inc.

Chairman of the Audit Committee: Ming-To Yu

February 23, 2022



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
eMemory Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of eMemory Technology Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 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 kick off mass production, and the goods have been produced and shipped from the wafer foundries, the wafer foundries will pay royalty fees to the Group based on a certain percentage of the wafer price.

2. The Group recognizes royalty revenue based on the contract regulations, at the time the royalty reports are signed and returned. Hence, there is a risk that the royalty revenue from wafer foundries is not recognized at appropriate time.
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, 2021 and 2020 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, 2021, 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 23, 2022

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4, 6 and 26)	\$ 2,482,765	78	\$ 1,754,111	71
Accounts receivable - net (Notes 4, 9, 20 and 26)	102,669	3	117,449	5
Other receivables (Notes 4 and 26)	5,271	-	105	-
Other receivables - related parties (Notes 4, 26 and 27)	-	-	277	-
Prepayments (Note 15)	27,260	1	23,711	1
Other current assets (Notes 4, 15 and 26)	3,854	-	3,262	-
Total current assets	2,621,819	82	1,898,915	77
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 26)	16,130	1	21,037	1
Financial assets at amortized cost - noncurrent (Notes 4, 8, 26 and 28)	116	-	114	-
Investment accounted for using the equity method (Notes 4 and 11)	3,083	-	5,517	-
Property, plant and equipment (Notes 4, 12 and 31)	460,310	15	467,393	19
Right-of-use assets (Notes 4, 13 and 31)	8,686	-	3,352	-
Intangible assets (Notes 4 and 14)	72,436	2	76,814	3
Deferred tax assets (Notes 4 and 22)	4,257	-	4,022	-
Prepayments for equipment	-	-	50	-
Refundable deposits	471	-	358	-
Total non-current assets	565,489	18	578,657	23
TOTAL	<u>\$ 3,187,308</u>	<u>100</u>	<u>\$ 2,477,572</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 20)	\$ 76,943	3	\$ 50,802	2
Other payables (Notes 16 and 26)	152,271	5	136,590	5
Bonuses payable to employees and directors (Note 21)	254,989	8	164,397	7
Payables on equipment (Note 26)	9,763	-	5,134	-
Current tax liabilities (Notes 4 and 22)	140,661	4	87,696	4
Lease liabilities - current (Notes 4, 13 and 26)	3,230	-	1,340	-
Other current liabilities (Notes 16 and 27)	1,928	-	2,134	-
Total current liabilities	639,785	20	448,093	18
NON-CURRENT LIABILITIES				
Lease liabilities - noncurrent (Notes 4, 13 and 26)	5,532	-	2,073	-
Net defined benefit liabilities - noncurrent (Notes 4 and 17)	19,190	1	21,233	1
Guarantee deposits received (Note 27)	10	-	530	-
Total non-current liabilities	24,732	1	23,836	1
Total liabilities	664,517	21	471,929	19
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 19)				
Ordinary shares	761,235	24	760,592	31
Capital surplus	303,181	10	391,907	16
Retained earnings				
Legal reserve	526,270	16	455,518	18
Special reserve	60,101	2	65,586	3
Unappropriated earnings	1,259,813	40	787,007	32
Total retained earnings	1,846,184	58	1,308,111	53
Other equity				
Exchange differences on the translation of the financial statements of foreign operations	(112)	-	(26)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(30,874)	(1)	(60,075)	(3)
Total other equity	(404,238)	(13)	(604,238)	(16)
Treasury shares	2,475,376	78	1,996,271	81
Total equity attributable to shareholders of the Company	47,415	1	9,372	-
NON-CONTROLLING INTERESTS (Notes 4 and 18)				
Total equity	2,522,791	79	2,005,643	81
TOTAL	<u>\$ 3,187,308</u>	<u>100</u>	<u>\$ 2,477,572</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, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20, 27 and 31)	\$ 2,363,824	100	\$ 1,776,653	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	<u>2,363,824</u>	<u>100</u>	<u>1,776,653</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 21 and 27)				
Selling and marketing expenses	166,218	7	137,638	8
General and administrative expenses	257,449	11	208,855	12
Research and development expenses	681,871	29	602,718	34
Expected credit (gain) loss (Notes 4 and 9)	<u>(10,526)</u>	<u>(1)</u>	<u>4,856</u>	<u>-</u>
Total operating expenses	<u>1,095,012</u>	<u>46</u>	<u>954,067</u>	<u>54</u>
OPERATING INCOME	<u>1,268,812</u>	<u>54</u>	<u>822,586</u>	<u>46</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 21)	6,997	-	7,601	1
Other income (Notes 4, 13, 21 and 27)	3,899	-	5,867	-
Other gains and losses (Notes 4, 21, 24 and 27)	6,059	-	(1,650)	-
Finance costs (Notes 4, 21 and 27)	(109)	-	(165)	-
Share of loss of associates (Notes 4 and 11)	<u>(2,560)</u>	<u>-</u>	<u>(3,444)</u>	<u>-</u>
Total non-operating income and expenses	<u>14,286</u>	<u>-</u>	<u>8,209</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,283,098	54	830,795	47
INCOME TAX EXPENSE (Notes 4 and 22)	<u>189,444</u>	<u>8</u>	<u>123,950</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>1,093,654</u>	<u>46</u>	<u>706,845</u>	<u>40</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)	1,253	-	(478)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4, 18 and 26)	23,656	1	5,507	-

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	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)	\$ (97)	-	\$ (24)	-
Share of the other comprehensive loss of associates accounted for using the equity method (Notes 4, 11 and 18)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Other comprehensive income for the year	<u>24,812</u>	<u>1</u>	<u>5,004</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,118,466</u>	<u>47</u>	<u>\$ 711,849</u>	<u>40</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,101,157	46	\$ 707,999	40
Non-controlling interests	<u>(7,503)</u>	<u>-</u>	<u>(1,154)</u>	<u>-</u>
	<u>\$ 1,093,654</u>	<u>46</u>	<u>\$ 706,845</u>	<u>40</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,125,980	47	\$ 713,006	40
Non-controlling interests	<u>(7,514)</u>	<u>-</u>	<u>(1,157)</u>	<u>-</u>
	<u>\$ 1,118,466</u>	<u>47</u>	<u>\$ 711,849</u>	<u>40</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 14.78</u>		<u>\$ 9.52</u>	
Diluted	<u>\$ 14.73</u>		<u>\$ 9.47</u>	

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

(Concluded)

EEMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent											
	Ordinary Shares		Retained Earnings			Other Equity			Total			
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Difference on the Translation of the Financial Statements of Foreign Operations	Invested Capital (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2020	75,834	\$ 738,336	\$ 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	-	(54,047)	-	-	-	-	-	-
Legal reserve	-	-	-	-	3,654	(3,654)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(408,466)	(408,466)	-	-	-	-	(408,466)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	24,629	-	-	-	-	-	-	-	(24,629)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	3,580	-	-	-	-	-	-	-	-	3,580
Issuance of cash dividends from capital surplus	-	-	(111,400)	-	-	-	-	-	-	-	-	(111,400)
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	-	707,999	707,999	-	-	-	(1,154)	706,845
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	(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	-	(1,157)	711,849
Issuance of ordinary shares under employee share options	226	2,256	69,567	-	-	-	-	-	-	-	-	71,823
Share-based payments	-	-	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)	9,372	2,005,643
Appropriation of 2020 earnings	-	-	-	70,752	(5,485)	(70,752)	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(558,792)	(558,792)	-	-	-	-	(558,792)
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	3,068	-	-	-	-	-	-	-	(3,068)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	126	-	-	-	-	-	-	-	-	126
Issuance of cash dividends from capital surplus	-	-	(111,759)	-	-	-	-	-	-	-	-	(111,759)
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	-	1,101,157	1,101,157	-	-	-	(7,503)	1,093,654
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,253	1,253	(86)	23,656	-	(11)	24,812
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,102,410	1,102,410	(86)	23,656	-	(7,514)	1,118,466
Issuance of ordinary shares under employee share options	64	643	19,839	-	-	-	-	-	-	-	9,613	30,095
Share-based payments	-	-	-	-	-	-	-	-	-	-	78	78
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	38,934	38,934
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(5,545)	(5,545)	(112)	5,545	-	-	-
BALANCE, DECEMBER 31, 2021	76,124	\$ 761,235	\$ 303,181	\$ 536,270	\$ 60,101	\$ 1,259,813	\$ 1,846,184	\$ (112)	\$ (30,874)	\$ (404,238)	\$ 47,415	\$ 2,322,791

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,283,098	\$ 830,795
Adjustments for:		
Depreciation expenses	40,785	43,206
Amortization expenses	18,838	16,356
Expected credit (gain) loss	(10,526)	4,856
Finance costs	109	165
Interest income	(6,997)	(7,601)
Dividend income	(315)	(1,210)
Share-based payments	78	1,243
Share of loss of associates	2,560	3,444
Loss on disposal of property, plant and equipment	26	35
Gain on disposal of investments	(100)	(48)
Net loss on foreign currency exchange	4,553	4,705
Lease modification benefit	-	(12)
Intangible assets reclassified as operating expenses	-	110
Changes in operating assets and liabilities		
Accounts receivable	22,699	2,193
Other receivables	(5,118)	1,691
Other receivables - related parties	277	133
Prepayments	(3,571)	(4,258)
Other current assets	(592)	1,013
Contract liabilities	26,141	17,965
Other payables	15,678	55,673
Other current liabilities	(206)	403
Net defined benefit liabilities	(790)	(629)
Bonuses payable to employees and directors	90,592	39,277
Cash generated from operations	<u>1,477,219</u>	<u>1,009,505</u>
Interest received	6,949	7,734
Income tax paid	<u>(136,692)</u>	<u>(93,399)</u>
Net cash generated from operating activities	<u>1,347,476</u>	<u>923,840</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,563	-
Acquisition of financial assets at amortized cost	(2)	(1)
Proceeds from disposal of financial assets at amortized cost	-	33,500
Acquisition of financial assets at fair value through profit or loss	(771,000)	(626,000)
Proceeds from disposal of financial assets at fair value through profit or loss	771,100	626,048
Acquisition of property, plant and equipment	(26,762)	(30,155)
Increase in refundable deposits	(113)	(9)
Acquisition of intangible assets	(14,460)	(19,475)
Increase in prepayments for equipment	-	(50)
Decrease in prepayments for equipment	50	-
Dividends received	<u>315</u>	<u>1,210</u>
Net cash used in investing activities	<u>(12,309)</u>	<u>(14,932)</u>

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	\$ -	\$ 20,000
Decrease in short-term bank loans	-	(20,000)
Decrease in guarantee deposits received	(520)	-
Repayment of the principal portion of lease liabilities	(2,322)	(3,035)
Dividends paid	(670,536)	(519,866)
Exercise of employee share options	30,095	71,823
Increase in non-controlling interests	38,934	35,000
Interest paid	<u>(109)</u>	<u>(165)</u>
Net cash used in financing activities	<u>(604,458)</u>	<u>(416,243)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,055)</u>	<u>(2,412)</u>
NET INCREASE IN CASH	728,654	490,253
CASH AT THE BEGINNING OF THE YEAR	<u>1,754,111</u>	<u>1,263,858</u>
CASH AT THE END OF THE YEAR	<u>\$ 2,482,765</u>	<u>\$ 1,754,111</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, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 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 the Company, the IC design houses, uses the Company's intellectual property to kick off mass production, and the goods have been produced and shipped from the wafer foundries, the wafer foundries will pay royalty fees to the Company based on a certain percentage of the wafer price.
2. The Company recognizes royalty revenue based on the contract regulations, at the time the royalty reports are signed and returned. Hence, there is a risk that the royalty revenue from wafer foundries is not recognized at appropriate time.

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, 2021, 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 23, 2022

Notice to Readers

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

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

EMEMORY TECHNOLOGY INC.

**PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

ASSETS	2021		2020		LIABILITIES AND EQUITY		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS										
Cash (Notes 4, 6 and 25)	\$ 2,402,303	77	\$ 1,653,966	67			\$ 78,327	3	\$ 52,244	2
Accounts receivable - net (Notes 4, 9, 19 and 25)	100,634	3	117,449	5			144,696	5	130,676	5
Other receivables (Notes 4 and 25)	5,269	-	102	-			254,989	8	164,397	7
Other receivables - related parties (Notes 4, 25 and 26)	3,581	-	918	-			9,647	-	5,134	-
Prepayments (Note 14)	24,341	1	21,294	1			140,661	4	87,696	4
Other current assets (Notes 4, 14, 25 and 26)	3,805	-	3,262	-			3,230	-	1,340	-
							1,823	-	2,054	-
Total current assets	2,539,933	81	1,796,991	73	Total current liabilities		633,373	20	443,541	18
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES					
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 25)	16,130	1	21,037	1	Lease liabilities - noncurrent (Notes 4, 12 and 25)		5,532	-	2,073	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 25 and 27)	116	-	114	-	Net defined benefit liabilities - noncurrent (Notes 4 and 16)		19,190	1	21,233	1
Investment accounted for using the equity method (Notes 4 and 10)	38,094	1	98,234	4	Guarantee deposits received (Note 26)		10	-	530	-
Property, plant and equipment (Notes 4 and 11)	458,656	15	465,056	19	Total non-current liabilities		24,732	1	23,836	1
Right-of-use assets (Notes 4 and 12)	8,686	-	3,352	-	Total liabilities		658,105	21	467,377	19
Intangible assets (Notes 4 and 13)	67,213	2	74,477	3	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)					
Deferred tax assets (Notes 4 and 21)	4,257	-	4,022	-	Ordinary shares		761,235	24	760,592	31
Prepayments for equipment	-	-	50	-	Capital surplus		303,181	10	391,907	16
Refundable deposits	396	-	315	-	Retained earnings					
Total non-current assets	593,548	19	666,657	27	Legal reserve		526,270	17	455,518	18
					Special reserve		60,101	2	65,586	3
					Unappropriated earnings		1,259,813	40	787,007	32
					Total retained earnings		1,846,184	59	1,308,111	53
					Other equity					
					Exchange differences on the translation of the financial statements of foreign operations		(112)	-	(26)	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income		(30,874)	(1)	(60,075)	(3)
					Total other equity		(30,986)	(1)	(60,101)	(3)
					Treasury shares		(404,238)	(13)	(404,238)	(16)
TOTAL	\$ 3,133,481	100	\$ 2,463,648	100	Total equity		2,475,376	79	1,996,271	81
					TOTAL		\$ 3,133,481	100	\$ 2,463,648	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, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 26)	\$ 2,349,772	100	\$ 1,771,831	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>2,349,772</u>	<u>100</u>	<u>1,771,831</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 12, 20 and 26)				
Selling and marketing expenses	148,411	6	128,119	7
General and administrative expenses	242,184	10	192,563	11
Research and development expenses	635,942	27	564,477	32
Expected credit (gain) loss (Notes 4 and 9)	<u>(10,526)</u>	<u>-</u>	<u>4,856</u>	<u>-</u>
Total operating expenses	<u>1,016,011</u>	<u>43</u>	<u>890,015</u>	<u>50</u>
OPERATING INCOME	<u>1,333,761</u>	<u>57</u>	<u>881,816</u>	<u>50</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 20)	6,812	-	7,501	-
Other income (Notes 4, 12, 20 and 26)	3,899	-	5,867	-
Other gains and losses (Notes 4, 20, 23 and 26)	10,358	1	(193)	-
Finance costs (Notes 4, 20 and 26)	(109)	-	(111)	-
Share of loss of subsidiaries and associates (Notes 4 and 10)	<u>(64,321)</u>	<u>(3)</u>	<u>(62,931)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>(43,361)</u>	<u>(2)</u>	<u>(49,867)</u>	<u>(3)</u>
PROFIT BEFORE INCOME TAX	1,290,400	55	831,949	47
INCOME TAX EXPENSE (Notes 4 and 21)	<u>189,243</u>	<u>8</u>	<u>123,950</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>1,101,157</u>	<u>47</u>	<u>707,999</u>	<u>40</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)	1,253	-	(478)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 17)	23,656	1	5,507	-
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>(86)</u>	<u>-</u>	<u>(22)</u>	<u>-</u>
Other comprehensive income for the year	<u>24,823</u>	<u>1</u>	<u>5,007</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,125,980</u>	<u>48</u>	<u>\$ 713,006</u>	<u>40</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 14.78</u>		<u>\$ 9.52</u>	
Diluted	<u>\$ 14.73</u>		<u>\$ 9.47</u>	

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Ordinary Shares		Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings		Total	Other Equity			Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount				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, 2020	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	-	(3,654)	-	-	-	-	-		
Special reserve	-	-	-	-	3,654	(408,466)	(408,466)	-	-	-	(408,466)		
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-		
Changes in percentage of ownership interests in subsidiaries	-	-	24,629	-	-	-	-	-	-	-	24,629		
Changes in capital surplus from investments in associates accounted for 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		
Appropriation of 2020 earnings	-	-	-	-	-	(70,752)	-	-	-	-	-		
Legal reserve	-	-	-	70,752	-	(588,792)	-	-	-	-	-		
Special reserve	-	-	-	-	(5,485)	-	-	-	-	-	-		
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(588,792)		
Changes in percentage of ownership interests in subsidiaries	-	-	3,068	-	-	-	-	-	-	-	3,068		
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	126	-	-	-	-	-	-	-	126		
Issuance of cash dividends from capital surplus	-	-	(111,759)	-	-	-	-	-	-	-	(111,759)		
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,101,157	1,101,157	-	-	-	1,101,157		
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,253	1,253	(86)	23,656	-	24,823		
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,102,410	1,102,410	(86)	23,656	-	1,125,980		
Issuance of ordinary shares under employee share options	64	643	19,839	-	-	-	-	-	-	-	20,482		
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(5,545)	(5,545)	-	-	-	-		
BALANCE, DECEMBER 31, 2021	76,124	\$ 761,235	\$ 303,181	\$ 526,270	\$ 60,101	\$ 1,259,813	\$ 1,846,184	\$ (112)	\$ (30,874)	\$ (404,238)	\$ 2,475,376		

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,290,400	\$ 831,949
Adjustments for:		
Depreciation expenses	39,991	42,570
Amortization expenses	18,801	16,344
Expected credit (gain) loss	(10,526)	4,856
Finance costs	109	111
Interest income	(6,812)	(7,501)
Dividend income	(315)	(1,210)
Share-based payments	47	1,162
Share of loss of subsidiaries and associates	64,321	62,931
Loss on disposal of property, plant and equipment	26	35
Gain on disposal of investments	(100)	(48)
Net loss on foreign currency exchange	4,347	4,589
Lease modification benefit	-	(12)
Changes in operating assets and liabilities		
Accounts receivable	24,739	2,193
Accounts receivable - related parties	-	787
Other receivables	(5,118)	1,691
Other receivables - related parties	(2,663)	(499)
Prepayments	(3,069)	(2,071)
Other current assets	(543)	1,016
Contract liabilities	26,083	19,407
Other payables	12,897	52,309
Other current liabilities	(231)	368
Net defined benefit liabilities	(790)	(629)
Bonuses payable to employees and directors	<u>90,592</u>	<u>39,277</u>
Cash generated from operations	1,542,186	1,069,625
Interest received	6,763	7,634
Income tax paid	<u>(136,491)</u>	<u>(93,399)</u>
Net cash generated from operating activities	<u>1,412,458</u>	<u>983,860</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,563	-
Acquisition of financial assets at amortized cost	(2)	(1)
Proceeds from disposal of financial assets at amortized cost	-	33,500
Acquisition of financial assets at fair value through profit or loss	(771,000)	(626,000)
Proceeds from disposal of financial assets at fair value through profit or loss	771,100	626,048
Net cash outflow on acquisition of subsidiaries	-	(100,000)
Acquisition of property, plant and equipment	(26,767)	(28,833)
Increase in refundable deposits	(81)	-
Acquisition of intangible assets	(11,537)	(17,237)

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Increase in prepayments for equipment	\$ -	\$ (50)
Decrease in prepayments for equipment	50	-
Dividends received	<u>315</u>	<u>1,210</u>
Net cash used in investing activities	<u>(9,359)</u>	<u>(111,363)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in guarantee deposits received	(520)	-
Repayment of the principal portion of lease liabilities	(2,322)	(3,035)
Dividends paid	(670,536)	(519,866)
Exercise of employee share options	20,482	71,823
Interest paid	<u>(109)</u>	<u>(111)</u>
Net cash used in financing activities	<u>(653,005)</u>	<u>(451,189)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(1,757)</u>	<u>(2,272)</u>
NET INCREASE IN CASH	748,337	419,036
CASH AT THE BEGINNING OF THE YEAR	<u>1,653,966</u>	<u>1,234,930</u>
CASH AT THE END OF THE YEAR	<u>\$ 2,402,303</u>	<u>\$ 1,653,966</u>

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

(Concluded)

eMemory Technology Inc.
Statement of Profit Distribution
2021

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning Balance of Unappropriated Earnings		\$ 162,949,562
Net Profit of 2021	1,101,157,065	
Remeasurement of Defined Benefit Plans Counted in Retained Earnings	1,252,308	
Loss on Disposal of Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	<u>(5,545,054)</u>	1,096,864,319
10% Legal Reserve Appropriated		(109,686,432)
Special Reserve Reversed		<u>29,115,724</u>
Retained Earnings Available for Distribution		1,179,243,173
Distribution of Shareholder Dividends - Cash (NT\$ 12.5 per share)		<u>(931,989,900)</u>
Ending Balance of Unappropriated Earnings		<u>\$247,253,273</u>

Chairman: Charles Hsu

President: Michael Ho

Accounting Officer: Teresa Kuo

- Remarks: 1. According to the Rule No.871941343 issued by the Ministry of Finance on April 30, 1998, when distributing earnings, it shall be identified respectively; the earnings distributed in this year shall be those of the latest year.
2. The shareholder cash dividends is in a total amount of NT\$ 931,989,900, to be distributed by NT\$ 12.5 per share, this is calculated by basing on the issued 74,559,192 outstanding shares up to February 22, 2022, 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 Director Candidate

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Michael Ho	Master Degree in Electrical and Electronics Engineering, National Tsing Hua University Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited	President, eMemory Technology Inc. Director, PUFsecurity Corporation Executive Director, eMemory Japan Corporation	25,500

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

Comparison Table for Content of Articles Before and After Revisions

Before Revision	After Revision	Explanation
<p>Article 3</p> <p>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.</p>	<p>Article 3</p> <p>The registered head office shall be in Hsinchu Science 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.</p>	<p>The wordings are slightly adjusted.</p>
<p>(Newly added)</p>	<p><u>Article 7-2</u></p> <p><u>When the Company issues share subscription warrants, restricted stock for employees, the right to subscription of new shares for employees and the transfer of treasury stock, the qualification requirements of employees include the employees of subsidiaries meeting certain specific requirements.</u></p>	<p>This amendment is made pursuant to Article 167-1, paragraph 4; Article 167-2, paragraph 3; and Article 267 paragraphs 7 and 11 of the “Company Act”.</p>
<p>Article 8</p> <p>The <u>share certificates</u> of the Company shall all be <u>name-bearing and consecutively numbered, and shall be signed by or affixed with the seals of three or more</u></p>	<p>Article 8</p> <p>The <u>shares</u> of the Company shall be <u>registered shares</u>; the Company may be exempted from printing <u>any</u> share certificate <u>for the shares issued, however, the</u></p>	<p>This amendment is made pursuant to Article 161-2 of the</p>

Before Revision	After Revision	Explanation
<p><u>directors, and authenticated by the competent authority of the government or the certification organization approved by the competent authority.</u> The Company may be exempted from printing share certificates <u>if the shares are registered</u> with a <u>domestic</u> securities depository enterprise.</p>	<p><u>Company shall register the issued shares</u> with a <u>centralized</u> securities depository enterprise <u>and follow the regulations of the enterprise.</u></p>	<p>“Company Act”.</p>
<p>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.</p> <p>(Omitted)</p>	<p>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.</p> <p><u>The Shareholders’ Meetings of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p> <p>(Omitted)</p>	<p>This amendment is made pursuant to Article 172-2 of the “Company Act”.</p>
<p>Article 16 The Company shall have nine (9) to eleven (11) directors <u>to be elected at the Meeting through a nominating system from persons of legal capacity</u> 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.</p> <p>The percentage of shares held by the directors shall be governed by the competent</p>	<p>Article 16 The Company shall have nine (9) to eleven (11) directors 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.</p> <p>The percentage of shares held by the directors shall be governed by the competent</p>	<p>The candidate nomination system method for the election of Directors has been definitively described in paragraph 3 of this Article, thus the wordings are slightly adjusted.</p>

Before Revision	After Revision	Explanation
<p>authority.</p> <p>The Company’s directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act. <u>Election of directors of the Company shall be held at the Meeting.</u></p> <p>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.</p>	<p>authority.</p> <p>The Company’s directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act. <u>The shareholders shall elect the directors from among the nominees listed in the roster of director candidates.</u></p> <p>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.</p>	
<p>Article 19</p> <p>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.</p> <p>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.</p> <p>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. <u>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.</u></p>	<p>Article 19</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>This amendment is made pursuant to Article 205 and Article 204 of the “Company Act,” as well as the practical demands.</p>

Before Revision	After Revision	Explanation
<p>Meetings of the Board shall be convened upon written notice mailed, <u>e-mailed</u>, 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.</p>	<p>Meetings of the Board shall be convened upon written notice mailed, <u>electronic transmission</u>, 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.</p>	
<p>Article 24</p> <p>After the close of each fiscal year, the following reports shall be prepared by the Board, and be submitted to the Meeting for acceptance, <u>and be reviewed by the competent authority.</u></p> <ol style="list-style-type: none"> 1. Business Report 2. Financial Statements 3. Proposal Concerning Appropriation of Profits or Losses 	<p>Article 24</p> <p>After the close of each fiscal year, the following reports shall be prepared by the Board, and be submitted to the Meeting for acceptance.</p> <ol style="list-style-type: none"> 1. Business Report 2. Financial Statements 3. Proposal Concerning Appropriation of Profits or Losses 	<p>This amendment is made pursuant to Article 20 of the “Company Act”.</p>
<p>Article 25-1</p> <p>If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:</p> <ol style="list-style-type: none"> 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 	<p>Article 25-1</p> <p>If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:</p> <ol style="list-style-type: none"> 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 	

Before Revision	After Revision	Explanation
<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p><u>When a special reserve is appropriated by the Company in accordance with the law, with respect to the insufficient surplus amount of the "cumulative net increases in fair value measurement of investment properties from prior period" and the "cumulative net debit balance reserves from prior period", an amount of special reserve equal to the amount appropriated from the prior unappropriated earnings shall be unappropriated first before the distribution of profits. If any insufficient remains, it shall be unappropriated from the amount of net profit for current period and items other than net profit that are</u></p>	<p>This amendment is made pursuant to the Chin-Kuan-Cheng-Fa-Tzu Enforcement letters No. 10901500221 and 1090150022 issued on March 31, 2021.</p>

Before Revision	After Revision	Explanation
	<u>included directly in the unappropriated earnings for current period.</u>	
<p>Article 29 These Articles of Incorporation were enacted on August 8, 2000. (Omitted)</p>	<p>Article 29 These Articles of Incorporation were enacted on August 8, 2000. (Omitted) <u>The sixteenth amendment was made on June 15, 2022.</u></p>	<p>The date of this amendment is added.</p>

**Procedures for Acquisition or Disposal of Assets
of
eMemory Technology Inc.
(the “Company”)
Comparison Table for Content of Articles Before and After Revisions**

Before Revision	After Revision	Explanation
<p>Article 5: The Appraisal and Operating Procedures for Acquisition or Disposal of Securities</p> <p>1. (Omitted)</p> <p>2. Inquiring the Experts for Opinions In acquiring or disposing of securities which the dollar amount of the transaction is 20 % of the Company’s paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price. <u>If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply, however, to public quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where the Company acquires or disposes of assets through court auction</p>	<p>Article 5: The Appraisal and Operating Procedures for Acquisition or Disposal of Securities</p> <p>1. (Omitted)</p> <p>2. Inquiring the Experts for Opinions In acquiring or disposing of securities which the dollar amount of the transaction is 20 % of the Company’s paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to public quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where the Company acquires or disposes of assets through court auction</p>	<p>This amendment is made pursuant to Article 10 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Before Revision	After Revision	Explanation
<p>procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the certified public accountant.</p> <p>3~5. (Omitted)</p>	<p>procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the certified public accountant.</p> <p>3~5. (Omitted)</p>	
<p>Article 6: The Appraisal and Operating Procedures for Acquisition or Disposal of Real Property, Equipment or the right-of-use assets</p> <p>1. (Omitted)</p> <p>2. Inquiring the Experts for Appraisal Report</p> <p>In acquiring or disposing of real property, equipment or the right-of-use assets where the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, contracting others to build on its own land, or contracting others to build on rented land, or acquiring or disposing of equipment or the right-of-use assets held for business use, an appraisal report should be obtained prior to the date that the transaction occurred from a Professional Appraiser and the transaction shall comply with the following provisions:</p> <p>(1)~(2) (Omitted)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be</p>	<p>Article 6: The Appraisal and Operating Procedures for Acquisition or Disposal of Real Property, Equipment or the right-of-use assets</p> <p>1. (Omitted)</p> <p>2. Inquiring the Experts for Appraisal Report</p> <p>In acquiring or disposing of real property, equipment or the right-of-use assets where the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, contracting others to build on its own land, or contracting others to build on rented land, or acquiring or disposing of equipment or the right-of-use assets held for business use, an appraisal report should be obtained prior to the date that the transaction occurred from a Professional Appraiser and the transaction shall comply with the following provisions:</p> <p>(1)~(2) (Omitted)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be</p>	<p>This amendment is made pursuant to Article 9 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Before Revision	After Revision	Explanation
<p>acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>II. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(4) (Omitted)</p> <p>Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the certified public accountant.</p> <p>3~4. (Omitted)</p>	<p>acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>II. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(4) (Omitted)</p> <p>Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the certified public accountant.</p> <p>3~4. (Omitted)</p>	
<p>Article 7: Related Party Transactions</p> <p>1. (Omitted)</p> <p>2. When the Company acquires or disposes of real property or the right-of-use</p>	<p>Article 7: Related Party Transactions</p> <p>1. (Omitted)</p> <p>2. When the Company acquires or disposes of real property or the right-of-use</p>	<p>This amendment is made pursuant to Article 15 of the “Regulations</p>

Before Revision	After Revision	Explanation
<p>assets from or to a related party, or when it acquires or disposes of assets or the right-of-us assets other than real property from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following information is submitted to the audit committee for approval, as well as being approved by the Board of Directors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real property or the right-of-use assets from a related party, information regarding appraisal of the reasonableness of the proposed transaction terms in accordance with the provisions under paragraph 3 to paragraph 6 in this Article 7.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading</p>	<p>assets from or to a related party, or when it acquires or disposes of assets or the right-of-us assets other than real property from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following information is submitted to the audit committee for approval, as well as being approved by the Board of Directors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real property or the right-of-use assets from a related party, information regarding appraisal of the reasonableness of the proposed transaction terms in accordance with the provisions under paragraph 3 to paragraph 6 in this Article 7.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Before Revision	After Revision	Explanation
<p>counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or opinion of the certified public accountant which shall be obtained in compliance with this Article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 2 of Article 11, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The amounts that have been submitted to the audit committee for approval and approved by the Board of Directors are exempted to be counted toward the transaction amount.</u></p> <p>With respect to the transactions set forth below between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may</p>	<p>counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or opinion of the certified public accountant which shall be obtained in compliance with this Article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the transactions set forth below between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may</p>	

Before Revision	After Revision	Explanation
<p>delegate the Chairman to decide such matters subject to a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <p>(1) The acquisition or disposal of equipment or the right-of-use assets thereof held for business use.</p> <p>(2) The acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.</p>	<p>delegate the Chairman to decide such matters subject to a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <p>(1) The acquisition or disposal of equipment or the right-of-use assets thereof held for business use.</p> <p>(2) The acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.</p> <p><u>When any transaction set forth in paragraph 2 of this Article is made by the Company or any subsidiary that is not a domestic public company and the transaction amount reaches 10% or more of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters set forth in paragraph 2 of this Article have been approved by the Shareholders' Meeting. However, this provision does not apply to the transaction between the Company and its parent or subsidiaries, or between the subsidiaries.</u></p>	

Before Revision	After Revision	Explanation
3~8. (Omitted)	<p><u>The calculation of the transaction amount referred to in paragraph 2 of this Article shall be made in accordance with Article 11, paragraph 2, and the term “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. In term of the amounts that have been submitted to the Shareholders’ Meeting for approval or submitted to the Audit Committee, and approved by the Board of Directors pursuant to these Procedures, they shall be exempt from being counted toward the transaction amount.</u></p> <p>3~8. (Omitted)</p>	
<p>Article 8: Acquisition or Disposal of Intangible Assets or the right-of-use assets or Membership</p> <p>In acquiring or disposing of the intangible assets or the right-of-use assets or membership where the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price. <u>The certified public accountant shall conduct it in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.</u></p>	<p>Article 8: Acquisition or Disposal of Intangible Assets or the right-of-use assets or Membership</p> <p>In acquiring or disposing of the intangible assets or the right-of-use assets or membership where the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price.</p>	<p>This amendment is made pursuant to Article 11 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Before Revision	After Revision	Explanation
<p>Article 11: Public Announce and Report Procedures</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission in the prescribed format within two days commencing immediately from the date of occurrence of such event:</p> <p>(1) Acquisition or disposal of real property or the right-of-use assets from or to a related party, or acquisition or disposal of assets or the right-of-use assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where the asset acquired or disposed</p>	<p>Article 11: Public Announce and Report Procedures</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission in the prescribed format within two days commencing immediately from the date of occurrence of such event:</p> <p>(1) Acquisition or disposal of real property or the right-of-use assets from or to a related party, or acquisition or disposal of assets or the right-of-use assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where the asset acquired or disposed</p>	<p>This amendment is made pursuant to Article 31 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Before Revision	After Revision	Explanation
<p>is equipment or the right-to-use assets held for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) Real property acquired by means of engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the trading counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more (which is calculated by basing on the estimated investment amount shall be made by the Company).</p> <p>(6) Where an asset transaction other than those referred to in the preceding five subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million or more; provided, that this shall not apply in the following circumstances:</p> <p>I. Trading of domestic government bonds.</p> <p>II. Trading of bonds under repurchase and resale agreements, or subscription or redemption of</p>	<p>is equipment or the right-to-use assets held for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) Real property acquired by means of engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the trading counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more (which is calculated by basing on the estimated investment amount shall be made by the Company).</p> <p>(6) Where an asset transaction other than those referred to in the preceding five subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million or more; provided, that this shall not apply in the following circumstances:</p> <p>I. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</u></p> <p>II. Trading of bonds under repurchase and resale agreements, or subscription or redemption of</p>	

Before Revision	After Revision	Explanation
<p>money market funds issued by domestic securities investment trust enterprises.</p> <p>2~7. (Omitted)</p>	<p>money market funds issued by domestic securities investment trust enterprises.</p> <p>2~7. (Omitted)</p>	
<p>Article 12: The Company’s controlling procedure on the acquisition or disposal of assets implemented by its subsidiary</p> <p>1. <u>The subsidiaries</u> of the Company shall <u>also establish its</u> “Procedures for Acquisition or Disposal of Assets” pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” <u>and so implement.</u></p> <p>2~3. (Omitted)</p>	<p>Article 12: The Company’s controlling procedure on the acquisition or disposal of assets implemented by its subsidiary</p> <p>1. <u>The acquisition or disposal of the assets by the subsidiaries</u> of the Company shall <u>be processed in accordance with these procedures. However, this provision does not apply if the subsidiaries of the Company have established their</u> “Procedures for Acquisition or Disposal of Assets” pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. <u>With respect to subsidiaries that have established their own “Procedures for Acquisition or Disposal of Assets”, the establishment or amendment of their “Procedures for Acquisition or Disposal of Assets” shall be submitted to the Board of Directors of the subsidiaries for approval, then submitted to their supervisors and also submitted to the Shareholders’ Meeting for approval.</u></p> <p>2~3. (Omitted)</p>	<p>This amendment is made pursuant to Q&A of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>
<p>Article 16:</p> <p>These procedures are adopted by the Shareholders’ Meeting on May 2, 2006. The first amendment was made on May 16, 2007. The second amendment was made on May 18, 2010. The third amendment was</p>	<p>Article 16:</p> <p>These procedures are adopted by the Shareholders’ Meeting on May 2, 2006. The first amendment was made on May 16, 2007. The second amendment was made on May 18, 2010. The third amendment was</p>	<p>The date of this amendment is added.</p>

Before Revision	After Revision	Explanation
<p>made on June 19, 2012. The fourth amendment was made on June 14, 2013. The fifth amendment was made on June 18, 2014. The sixth amendment was made on June 9, 2015. The seventh amendment was made on June 13, 2017. The eighth amendment was made on June 13, 2019. The ninth amendment was made on June 10, 2020.</p>	<p>made on June 19, 2012. The fourth amendment was made on June 14, 2013. The fifth amendment was made on June 18, 2014. The sixth amendment was made on June 9, 2015. The seventh amendment was made on June 13, 2017. The eighth amendment was made on June 13, 2019. The ninth amendment was made on June 10, 2020. <u>The tenth amendment was made on June 15, 2022.</u></p>	

eMemory Technology Inc.

Update of Concurrent Positions Held by the Directors

Title	Name	Concurrent Positions
Chairman	Charles Hsu	Director, Powerchip Semiconductor Manufacturing Corporation
Representative of Director	Teresa Cheng	Vice President, TaiWon Technology Corporation Supervisor, iMQ Technology (Shanghai) Co., Ltd.
Director	Michael Ho	Director, PUFsecurity Corporation Executive Director, eMemory Japan Corporation Director, PUFsecurity Technology (Shanghai) Corporation (tentative name)

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 July 15, 2021

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, 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, 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.

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. 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. 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.
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 and announce the numbers of non-voting rights and total shares represented by the shareholders present. 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 as well as the list of the unsuccessful candidates and the number of votes received by them.
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. The sixth amendment was made on July 15, 2021.

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

Adopted by the Shareholders’ Meeting on July 15, 2021

- 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 A ballot is invalid under any of the following circumstances:

- (1) The ballot was not prepared by a person with the right to convene.
- (2) A blank ballot is placed in the ballot box.
- (3) The writing is unclear and indecipherable or has been altered.
- (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
- (5) Other words or marks are entered in addition to the number of voting rights allotted.

Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the voting results shall be announced by the chairperson on the site, including the names of those elected as directors and the numbers of votes with which they were elected.

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

Article 10 Anything not provided herein shall be governed by the Company Act and related statutes and regulations.

Article 11 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Article 12 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. The fourth amendment was made on July 15, 2021.

**Procedures for Acquisition or Disposal of Assets
of
eMemory Technology Inc.
(the “Company”)**

Adopted by the Shareholders’ Meeting on June 10, 2020

Article 1: Purposes

These Procedures are enacted for the Purposes of enhancing the management of assets and making full public disclosure, so that there are rules can be followed during the acquisition or disposal of the assets.

Unless otherwise provided in the laws and regulations, the acquisition or disposal of the assets by the Company shall be processed in accordance with these procedures.

Article 2: Definition

1. The term "Assets" as used herein includes the following:
 - (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - (2) Real property (including land, houses and buildings, and investment property) and equipment.
 - (3) Memberships.
 - (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - (5) Right-of-use assets.
 - (6) Derivatives.
 - (7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - (8) Other major assets.
2. The term of “Derivatives” hereunder shall mean forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
3. The term of “Assets acquired or disposed through mergers, demergers, acquisitions or transfer of shares in accordance with law” hereunder means assets acquired or disposed through mergers, demergers or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "Transfer

- of shares") under Article 156-3 of the Company Act.
4. The term of "Related Party", "Subsidiary" hereunder shall be as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 5. The term of "Professional Appraiser" hereunder refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
 6. The term of "Date of Occurrence" hereunder principally refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or any other date that can confirm the counterparty and monetary amount of the transaction (whichever date is earliest); provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
 7. The term of "Mainland China area investment" hereunder refers to investments in the mainland China area which are conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area promulgated by the Ministry of Economic Affairs Investment Commission.

Article 3: Exclusion of Related Party

Professional appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall be subject to the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of the Company.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 4: The restrictions of total amount for acquiring the real property and the right-of-use assets or securities by the Company for non-operational purposes

1. The total amount for acquisition of real property and the right-of-use assets for non-operational purposes by the Company and each subsidiary shall not exceed 50% of each company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant.
2. The acquisition of investments in financial assets other than quasi money market fund

by the Company shall not exceed 50% of the company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant; the respective investment amount for the investment in financial assets other than quasi money market fund by the Company shall not exceed 30% of the company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant.

3. The acquisition of investments in financial assets other than quasi money market fund by each subsidiary of the Company shall not exceed 100% of each company's paid-in capital. The respective investments in financial assets other than quasi money market fund by each subsidiary of the Company shall not exceed 50% of each company's paid-in capital.
4. The acquisition of an individual investment in financial assets other than quasi money market fund by the Company and each subsidiary shall be submitted to the Board of Directors' meeting for resolution. However, the investments made by the Company to the securities of subsidiaries are authorized to the Chairman for determination and execution subject to the accumulated invested amount is under NT\$ 100 million (including NT\$ 100 million) within the same fiscal year, and thereafter shall be submitted to the latest Board of Directors' meeting for ratification.

Article 5: The Appraisal and Operating Procedures for Acquisition or Disposal of Securities

1. The means of price determination and supporting reference materials
When acquiring or disposing of securities, prior to the date of occurrence of the event, the Company shall obtain the latest financial reports of the issuing company which is certified or reviewed by a certified public accountant for reference in appraising the transaction price:
 - (1) When the securities are acquired or disposed of through stock exchange market or over-the-counter, shall be determined by the then current market prices.
 - (2) In acquiring or disposing of securities which are not traded on any stock exchange market or over-the-counter, its net value per share, profitability, potential of future growth, market rates, interest rates of bonds, credit ratings and its then current market price shall be evaluated.
2. Inquiring the Experts for Opinions
In acquiring or disposing of securities which the dollar amount of the transaction is 20 % of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price. If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to public quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal

- report or opinion of the certified public accountant.
3. The Units responsible for Implementation
Finance Department of the Company shall be the execution unit for the implementation of acquiring or disposing the securities.
 4. Transaction Process
The transaction process for acquiring or disposing of securities shall follow the provisions of the operation regarding Investment Cycle of the Internal Control System.
 5. The management of securities shall take a reference to the "Procedures for Investment Management" of the Company.

Article 6: The Appraisal and Operating Procedures for Acquisition or Disposal of Real Property, Equipment or the right-of-use assets

1. The means of price determination and supporting reference materials
In acquiring or disposing of real property, equipment or the right-of-use assets, the unit who makes use of that shall submit an application, and the unit who is in charge of assets management, the unit who is in charge of procurement shall take a reference to the government assessed value, appraised value, the actual transaction price of real property located in neighborhood, the recent transaction price of the identical property etc., and make it by one of the means of comparing the price, negotiating the price or call for tenders.
2. Inquiring the Experts for Appraisal Report
In acquiring or disposing of real property, equipment or the right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, contracting others to build on its own land, or contracting others to build on rented land, or acquiring or disposing of equipment or the right-of-use assets held for business use, an appraisal report should be obtained prior to the date that the transaction occurred from a Professional Appraiser and the transaction shall comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed if there is any change to the terms and conditions of the transaction in the future.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation and

render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.

II. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.

- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the certified public accountant.

3. The degree of authority delegated, the levels to which authority is delegated, and the Units responsible for Implementation

The acquisition or disposal of real property, equipment or the right-of-use assets shall be executed by the department who makes use of such assets and the unit being in charge of assets management, and submitted to the authorized officer for approval.

4. Transaction Process

The transaction process for acquiring or disposing of real property, equipment or right-of-use assets shall follow the provisions of the operation regarding real property, factory building or equipment cycle of the Internal Control System.

Article 7: Related Party Transactions

1. In terms of the acquisition or disposal of the assets between the Company and related party except the related resolution procedure and evaluation regarding the reasonableness of the transaction price etc. shall be made pursuant to Article 5, Article 6, Article 8 and provisions hereunder, where the transaction amount is 10% or more of the total assets of the Company, appraisals from professional appraisers or opinions from certified public accountant shall be also obtained pursuant to Article 5, Article 6 and Article 8.

The amount set forth in the preceding paragraph shall be calculated pursuant to Article 8-1.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. When the Company acquires or disposes of real property or the right-of-use assets from or to a related party, or when it acquires or disposes of assets or the right-of-use assets other than real property from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or

make a payment until the following information is submitted to the audit committee for approval, as well as being approved by the Board of Directors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a trading counterparty.
- (3) With respect to the acquisition of real property or the right-of-use assets from a related party, information regarding appraisal of the reasonableness of the proposed transaction terms in accordance with the provisions under paragraph 3 to paragraph 6 in this Article 7.
- (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or opinion of the certified public accountant which shall be obtained in compliance with this Article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 2 of Article 11, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The amounts that have been submitted to the audit committee for approval and approved by the Board of Directors are exempted to be counted toward the transaction amount.

With respect to the transactions set forth below between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters subject to a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

- (1) The acquisition or disposal of equipment or the right-of-use assets thereof held for business use.
- (2) The acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the Board of Directors pursuant to preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

3. When the Company acquires real property or the right-of-use assets from the related party, it shall evaluate the reasonableness of the transaction costs by following means (where the land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the

structures may be separately appraised in accordance with either of the following means):

- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The term of "Necessary interest on funding" hereunder is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum of non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
4. The Company that acquires real property or the right-of-use assets from a related party and appraises the cost of the real property or the right-of-use assets in accordance with the provisions set forth in the preceding paragraph, shall also engage a certified public accountant to check the appraisal and render a practical opinion.
5. Where the Company acquires real property or the right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 of this Article 7, and the preceding two paragraphs do not apply:
 - (1) The related party acquired the real property or the right-of-use assets through inheritance or as a gift.
 - (2) More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or the right-of-use assets to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party or by engaging the Company's related party to construct the real property on the Company's owned land or leased land.
 - (4) The acquisition of real property right-of-use assets held for business use between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital.
6. When the Company acquires real property from a related party and the results of the Company's appraisal conducted in accordance with the provisions of paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance with paragraph 7 of this Article. However, where the following circumstances exist, and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a certified public accountant have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for

development, it may submit proof of compliance with one of the following conditions:

- I. Where undeveloped land is appraised in accordance with the means in paragraph 3 of this Article and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The term of "Reasonable Construction Profit" shall be deemed to be the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - II. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property trading or leasing market practices.
- (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions for neighboring or closely valued parcels of land in the subparagraph 1 and subparagraph 2 of this paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels of similar land area in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; the term of "within the preceding year" refers to the year preceding the actual date of acquisition of the real property or the right-of-use assets.

7. Where the Company acquires real property or the right-of-use assets from a related party and the results of the Company's appraisal conducted in accordance with the provisions of paragraph 3 and paragraph 6 of this Article are uniformly lower than the transaction price, the following steps shall be taken:
 - (1) A special reserve shall be set aside in accordance with paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real property or the right-of-use assets, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under paragraph 1, Article 41, of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company. The special reserve set aside under the preceding paragraph shall not be utilized until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, the lease has been terminated, or adequate compensation has been made, or the status quo ante has been restored,

- or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.
- (2) Audit committee shall comply with the provisions of Article 218 of the Company Law.
 - (3) Actions taken pursuant to subparagraph 1 and subparagraph 2 under this paragraph shall be reported to Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
8. The Company shall also comply with the provisions of paragraph 7 in this Article when obtaining real property or the right-of-use assets from a related party if there is other evidence indicating that the transaction was not an arm's length transaction.

Article 8: Acquisition or Disposal of Intangible Assets or the right-of-use assets or Membership

In acquiring or disposing of the intangible assets or the right-of-use assets or membership where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or above, unless transacting with a domestic government agency, the Company shall engage a certified public accountant, prior to the date of occurrence of the event, to provide an opinion regarding the reasonableness of the transaction price. The certified public accountant shall conduct it in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.

Article 8-1: The calculation of the transaction amount referred to in Article 5, Article 6 and Article 8 shall be made in accordance with paragraph 2 of Article 11, and the term of "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. In term of the amounts that the appraisals from professional appraisers or opinions from certified public accountant have been obtained pursuant to these Procedures shall be exempted to be counted toward the transaction amount.

Article 9: Engaging in Derivatives Trading

1. Trading Principles and Policies:

(1) Trading Type

The Derivatives traded by the Company hereunder shall mean forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

(2) Operating or Hedging Strategies

The Company engages in derivatives trading principally in order to hedge the fluctuation in exchange rate or interest rate not for the purposes of creating the profit. Therefore, the trading object shall be chosen mainly for hedging the risk derived from the business operation of the Company, the trading currency shall be limited to the foreign currency that derived from the import or export transactions by the Company, and by basing on the Company's internal netting of the whole

trading position (which refers to the income and expense of foreign currency), to reduce the whole risk of the Company regarding foreign currency, and save the trading costs of foreign currency.

(3) Segregation of Duties

I. Financing Personnel: Who is the center of the Derivatives Trading management system, operates the matters of derivatives for the Company, the estimate and occurrence of the position shall be made by collecting the information provided by Purchase and Sales Department, and from time to time, collecting the market information, ascertaining the trend and risks, getting familiar with financial instruments, regulations and statutes, and operation skills to support him/herself and other related departments during the operation as a reference. The personnel being in charge of the operation of derivatives in transaction, confirmation and settlement shall be independent respectively.

II. Accounting Personnel: Accurately calculate the position having been realized or may occur in the future, and keep the account book according to the settlement vouchers and related transaction documents.

III. Archiving: All the trading slip, bank statement, transaction authorization and appraisal shall be archived by accounting division.

(4) Total amount of Derivatives contracts that may be traded and the maximum loss limit on total trading and for individual contracts.

I. Hedging Operation: The total hedged amount of the Company is limited to an amount less than two-third of the net position for all transaction. The limitation of losses for contract shall be 10% of the contract price, and this applies to respective contract and all contracts.

II. Trading Operation: The Company does not engage in trading operation.

(5) Performance Evaluation

The derivatives which the Company trades in are financial hedging transactions that derived from the operation correspondingly; however, the personnel taking charge of the transaction shall report the transaction results to the Board of Directors periodically.

2. Operation Procedures

(1) Authorized Amount and Level

Level	Each transaction
Board of Directors	Above USD 3 million
Chairman	USD 1~3 million (included)
President	Under USD 1 million (included)

(2) The personnel authorized to trade makes a phone call to the bank to place an order within the authorized amount, and fill in the application form for derivatives transaction by indicating the transaction, purchase/sell amount, period, trading purpose, transaction details, charges, counterparty, trader, and submit to the manager authorized by the Board of Directors for approval.

(3) After receiving the transaction documentations from the bank, the confirmation personnel shall immediately confirm the transaction details with counterparty through the phone, if any defect is found shall be clarified with the trader

promptly.

(4) After the confirmation personnel confirmed the transaction, the settlement personnel proceeds the settlement matters according to the details set forth in the trading slip.

(5) Accounting personnel make accounting entries and keep the account book according to the settlement vouchers and related transaction documents.

3. Risk Management Measures

(1) Credit Risk Management

The counterparty shall be internationally well-known bank with good credit in principle.

(2) Market Risk Management

Mainly targeting global financial products which are commonly traded, and preventing from implementing specifically designed product.

(3) Liquidity Risk Management

To ensure the market liquidity, the targeted chosen financial products shall have better liquidity (i.e. that they can be cashed out in the market anytime), the financial institutions delegated to trade shall have sufficient information and are capable to trade in any market anytime.

(4) Cash Flow Risk Management

To ensure the stability of the Company's cash flow, the sources of funds used for the derivatives transaction shall be the Company's owned funds, and in terms of the trading amount, the demand of funds which is estimated by basing on the cash income and expense three months in the future shall be considered.

(5) Operation Risk Management

I. Strictly complying with the transaction procedures to avoid the operation risk.

II. The respective functions of trading, confirmation and settlement with respect to derivatives shall be performed by different persons.

III. The risk-assessment, risk-supervision, and risk-control personnel shall belong to a different department from the above personnel, and report to the Board of Directors or high-ranking officers who are not in charge of trading or a position being relevant to decision making.

IV. The possessed position of derivatives shall be evaluated at least once a week, however, the hedging transactions made for the demand of business shall be evaluated at least twice a month, the evaluation report shall be submitted to the high-ranking officers who are authorized by the Board of Directors.

V. The confirmation personnel shall take charge of registering the transaction documents or contract, reconcile the account book or verify with the corresponding bank, and check whether the total transaction amount exceeds the stipulated limitation.

(6) Legal Risk Management

The documents signed with the counterparty shall be the contracts which are generally used in the market, that any specific contract shall be reviewed by the legal personnel or attorneys.

4. Internal Audit System

The internal auditor shall periodically check whether the internal control system for derivatives transaction is proper or not, and an audit report shall be made by auditing the trading department to examine the compliance of the procedures for derivatives transactions each month. The audit report shall be filed together with the implementation report of internal audit operation annual examination plan to Financial Supervisory Commission in the prescribed format and via the Internet-based information system before the end of February of the next year, and file the rectification report to Financial Supervisory Commission in the prescribed format and via the Internet-based information system before the end of May of the next year. If any material violation is found, the internal auditor shall give written notice to the audit committee.

5. Supervisory and Management of the Board of Directors

(1) The Board of Directors shall supervise and manage based on the following principles:

I. The Board of Directors shall appoint a high-ranking officer to take notice of the supervision and control of the risks of derivatives transactions anytime, the management principles are:

i. Periodically evaluating whether the risk management measures currently used are proper and conform to this Article.

ii. Supervising the transaction and its profit and loss, If anything is found unusual, the necessary measures shall be taken, and it shall be reported to the Board of Directors promptly, the independent director shall attend to the Board of Directors' meeting and express his/her opinions.

II. Periodically, to evaluate whether the performance of derivatives transactions meets the operating strategy and the risk to be assumed is within the affordable range.

III. If the transaction of derivatives is made by authorized personnel pursuant to the provisions of subparagraph 1, under paragraph 2 in this Article, shall be reported to the latest Board of Directors' meeting.

(2) The Company engaging in derivatives trading shall establish a memorandum book in which the details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under this Article shall be recorded in detail in the memorandum book.

Article 10: Mergers, Demergers, Acquisitions, and Transfer of Shares

1. The Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for discussion and resolution. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or

authorized capital, as well as in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

2. Where the Company participates in a merger, demerger or acquisition, a public report to shareholders shall be prepared detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the Shareholders' Meeting and such report should be included along with the expert opinion referred to in the preceding paragraph of this Article when sending convention notice of the Shareholders' Meeting for reference in deciding whether to approve such merger, demerger, or acquisition; provided, where a provision of another act exempts the Company from convening the Shareholders' Meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the Shareholders' Meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the Shareholders' Meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the proposed date of the next Shareholders' Meeting.

3. The Company participating in a merger, demerger, or acquisition shall convene the Board of Directors' meeting and the Shareholders' Meeting on the day of the transaction to resolve relevant matters of the merger, demerger, or acquisition, unless otherwise provided in another Act or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants approval.

The Company participating in a transfer of shares shall call a Board of Directors' meeting on the day of the transaction, unless otherwise provided in another Act or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants approval.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1)Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2)Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors' meeting.
- (3)Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors' meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded

on an OTC market shall, within 2 days counting inclusively from the date of the resolution of the Board of Directors approving such transaction, report the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission in the prescribed format and via the Internet-based information system for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of preceding paragraphs.

4. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
5. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1)Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2)An action, such as a disposal of major assets, that affects the company's financial operations.
 - (3)An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4)An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5)An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6)Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
6. The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (1)Handling of breach of contract.
 - (2)Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3)The amount of treasury stock participating companies are permitted under law

to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated Shareholders' Meeting if the plan exceeds the deadline without completion, and relevant procedures.
7. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or transfer of shares intends further to carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or transfer of shares; except that where the number of participating companies is decreased and a participating company's Shareholders' Meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another Shareholders' Meeting to resolve on the matter anew.
8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions in paragraph 3, paragraph 4 and paragraph 7 of this Article.

Article 11: Public Announce and Report Procedures

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission in the prescribed format within two days commencing immediately from the date of occurrence of such event:
 - (1) Acquisition or disposal of real property or the right-of-use assets from or to a related party, or acquisition or disposal of assets or the right-of-use assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (4) Where the asset acquired or disposed is equipment or the right-to-use assets held for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
 - (5) Real property acquired by means of engaging others to build on the company's

own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the trading counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more (which is calculated by basing on the estimated investment amount shall be made by the Company).

(6) Where an asset transaction other than those referred to in the preceding five subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million or more; provided, that this shall not apply in the following circumstances:

III. Trading of domestic government bonds.

IV. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions above shall be calculated as follows:

(1) The amount of any individual transaction.

(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

(3) The cumulative transaction amount of acquisitions and disposals of the real property or the right-of-use assets (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

3. The term of "within the preceding year" as mentioned in the preceding paragraph shall be calculated as one year before the date of occurrence of the current transaction. The portion which is duly announced in accordance with these procedures shall be exempted.

4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month.

5. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

6. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, memorandum books, appraisal reports and the opinions of certified public accountant, attorney, and securities underwriter at the Company, where they shall be retained for 5 years except where another act provides otherwise.

7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the regulations, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 12: The Company's controlling procedure on the acquisition or disposal of assets implemented by its subsidiary

1. The subsidiaries of the Company shall also establish its "Procedures for Acquisition or Disposal of Assets" pursuant to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and so implement.
2. Information required to be public disclosed and reported in accordance with the standards of public disclosure and report provided in Article 11 on acquisitions and disposals of assets by any subsidiary of the Company that is not a domestic public company shall be public disclosed and reported by the Company. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to the requirement for a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20% of paid-in capital or 10% of the total assets.
3. When auditors of the Company perform the annual audit plan in auditing its subsidiaries, they also have to realize the acquisition or disposal of assets implemented by the subsidiaries.

Article 12-1: Provisions with respect to 10% of the total assets under these procedures shall be calculated based on the total amount of assets in the most recent parent company only financial report or individual financial report issued in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In the case of an issuer whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amount of 20% of paid-in capital under these procedures, 10% of equity attributable to owners of the parent company shall be substituted.

Article 13: Penalty

The concerned personnel who is in charge of the acquisition and disposal of the assets shall follow these procedures, if any material violation is found shall be reported pursuant to the personnel management procedures and disciplined according to the circumstances.

Article 14: Miscellaneous

Anything not provided herein shall be governed by the related statutes and relevant rules of the Company.

Article 15: Enforcement and Amendment

These procedures for acquisition or disposal of assets of the Company shall be approved by one half or more of all audit committee members and submitted to the Board of Directors for resolution, subject to the approval of the Board of Directors and then submitted to the Shareholders' Meeting for approval, these procedures become effective, the amendment shall be subject to the same requirements.

The position of independent director has been created by the Company, when the procedures for acquisition or disposal of assets are submitted for discussion by the Board of Directors pursuant to preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

Article 16: These procedures are adopted by the Shareholders' Meeting on May 2, 2006. The first amendment was made on May 16, 2007. The second amendment was made on May 18, 2010. The third amendment was made on June 19, 2012. The fourth amendment was made on June 14, 2013. The fifth amendment was made on June 18, 2014. The sixth amendment was made on June 9, 2015. The seventh amendment was made on June 13, 2017. The eighth amendment was made on June 13, 2019. The ninth amendment was made on June 10, 2020.

Shareholdings of All Directors

1. The paid-in capital of the Company is NT\$ 761,271,920, the number of total issued shares is 76,127,192.
2. According to Article 26 of the Securities and Exchange Act, the minimum required combined shareholding of all Directors shall be 6,090,175 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 17, 2022

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: Felix Hsu (Note)		
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 6,379,283, which is by the ratio of 8.38% to the total issued shares.			

Note : How-Han Investment Corporation changed its representative on November 2, 2021.

< 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, 2022 to March 25, 2022) for accepting shareholders' proposal.

< Appendix 8 >

Information Related to Employees' Compensation and Directors' Remuneration:

The employees' compensation and Directors' remuneration of 2021 had been resolved by the Board of Directors on February 23, 2022, the distribution of mentioned compensation and remuneration is set forth below:

1. The distribution of employees' compensation is in an amount of NT\$ 231,808,483.
2. The distribution of Directors' remuneration is in an amount of NT\$ 23,180,848.
3. There is no difference between the distributed amounts mentioned above and the assessed amounts of employees' compensation in NT\$ 231,808,483 and Directors' remuneration in NT\$ 23,180,848.

The reason for difference: None.

The disposal of the difference: Not applicable.

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