



eMemory Technology Inc.

## **Minutes of 2022 General Shareholders' Meeting**

(Translation)

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)

Total outstanding eMemory shares : 74,560,192 shares

Total shares represented by shareholders present in person or by proxy : 63,582,908 shares

Percentage of shares held by shareholders present in person or by proxy : 85.27%

Directors present : Charles Hsu, Kenneth Kin, Ming-To Yu, Teresa Cheng, Michael Ho

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

Recorder : Catherine Chen

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

**2. Chairman's Address : (Omitted)**

**3. Report Items**

(1) Report on the Business of 2021 (Attachment 1, pages 7 to 8)

(Questions raised by shareholder account number 300001 and the management's responses were omitted.)

(2) Audit Committee's Review Report of 2021 (Attachment 2, page 9)

(Questions raised by shareholder account number 300001 and the management's responses were omitted.)

(3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2021.

Explanatory Notes:

i. 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.

ii. 15% is set aside as the employees' compensation, which is in a total amount of NT\$ 231,808,483.

iii. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 23,180,848.

iv. There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

(Questions raised by shareholder account number 28842, 300001 and the management's responses were omitted.)

#### 4. Matters to be Acknowledged

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 7 to 8), Independent Auditors' Report and Financial Statements (Attachment 3, pages 10 to 27).

Resolution : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.  
Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 61,885,253<br>(56,842,920)           | 97.33 | 54,270<br>(54,270)                  | 0.09 | 0<br>(0)                            | 0 | 1,643,385<br>(1,643,380)                          | 2.58 |

- 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 28).
- Resolution** : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.  
 Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 62,002,243<br>(56,959,910)           | 97.51 | 2,280<br>(2,280)                    | 0.01 | 0<br>(0)                            | 0 | 1,578,385<br>(1,578,380)                          | 2.48 |

## 5. Election Item

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 29).
4. An election is thus requested.

Voting Result :

| Title    | Name       | Elected Votes |
|----------|------------|---------------|
| Director | Michael Ho | 46,787,746    |

## 6. Matters to be Discussed

Proposal No. 1

Proposed by the Board of Directors

- Subject : Proposal to Distribute the Cash from Capital Surplus.
- Explanation : 1. In accordance with Article 241 of the Company Act, it is proposed that a cash distribution of NT\$ 111,838,788 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 : RESOLVED, that the above proposal be and hereby was approved as proposed.  
Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 62,002,340<br>(56,960,007)           | 97.51 | 2,175<br>(2,175)                    | 0.01 | 0<br>(0)                            | 0 | 1,578,393<br>(1,578,388)                          | 2.48 |

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 30 to 35).

Resolution : RESOLVED, that the above proposal be and hereby was approved as proposed.  
Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 60,981,021<br>(55,938,688)           | 95.90 | 923,493<br>(923,493)                | 1.46 | 0<br>(0)                            | 0 | 1,678,394<br>(1,678,389)                          | 2.64 |

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 36 to 46).

Resolution : RESOLVED, that the above proposal be and hereby was approved as proposed.  
 Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 62,000,339<br>(56,958,006)           | 97.51 | 4,175<br>(4,175)                    | 0.01 | 0<br>(0)                            | 0 | 1,578,394<br>(1,578,389)                          | 2.48 |

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 47).

Resolution : RESOLVED, that the above proposal be and hereby was approved as proposed.  
 Shares present at the time of voting: 63,582,908 (votes casted electronically: 58,540,570 votes)

| Votes in favor<br>(electronic votes) |       | Votes against<br>(electronic votes) |      | Invalid Votes<br>(electronic votes) |   | Votes abstained / Not Voted<br>(electronic votes) |      |
|--------------------------------------|-------|-------------------------------------|------|-------------------------------------|---|---------------------------------------------------|------|
| votes                                | %     | votes                               | %    | votes                               | % | votes                                             | %    |
| 60,063,269<br>(55,020,936)           | 94.46 | 7,243<br>(7,243)                    | 0.01 | 0<br>(0)                            | 0 | 3,512,396<br>(3,512,391)                          | 5.53 |

**7. Extemporary Motions : None.**

**8. Adjournment : 9:49 AM (on Wednesday) June, 15, 2022**

## **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                |            | LIABILITIES AND EQUITY                                                                      | 2021                |             | 2020                |             |
|----------------------------------------------------------------------------------------------------|---------------------|------------|---------------------|------------|---------------------------------------------------------------------------------------------|---------------------|-------------|---------------------|-------------|
|                                                                                                    | Amount              | %          | Amount              | %          |                                                                                             | Amount              | %           | Amount              | %           |
| <b>CURRENT ASSETS</b>                                                                              |                     |            |                     |            | <b>CURRENT LIABILITIES</b>                                                                  |                     |             |                     |             |
| Cash (Notes 4, 6 and 26)                                                                           | \$ 2,482,765        | 78         | \$ 1,754,111        | 71         | Contract liabilities - current (Note 20)                                                    | \$ 76,943           | 3           | \$ 50,802           | 2           |
| Accounts receivable - net (Notes 4, 9, 20 and 26)                                                  | 102,669             | 3          | 117,449             | 5          | Other payables (Notes 16 and 26)                                                            | 152,271             | 5           | 136,590             | 5           |
| Other receivables (Notes 4 and 26)                                                                 | 5,271               | -          | 105                 | -          | Bonuses payable to employees and directors (Note 21)                                        | 254,989             | 8           | 164,397             | 7           |
| Other receivables - related parties (Notes 4, 26 and 27)                                           | -                   | -          | 277                 | -          | Payables on equipment (Note 26)                                                             | 9,763               | -           | 5,134               | -           |
| Prepayments (Note 15)                                                                              | 27,260              | 1          | 23,711              | 1          | Current tax liabilities (Notes 4 and 22)                                                    | 140,661             | 4           | 87,696              | 4           |
| Other current assets (Notes 4, 15 and 26)                                                          | <u>3,854</u>        | -          | <u>3,262</u>        | -          | Lease liabilities - current (Notes 4, 13 and 26)                                            | 3,230               | -           | 1,340               | -           |
| Total current assets                                                                               | <u>2,621,819</u>    | <u>82</u>  | <u>1,898,915</u>    | <u>77</u>  | Other current liabilities (Notes 16 and 27)                                                 | <u>1,928</u>        | -           | <u>2,134</u>        | -           |
|                                                                                                    |                     |            |                     |            | Total current liabilities                                                                   | <u>639,785</u>      | <u>20</u>   | <u>448,093</u>      | <u>18</u>   |
| <b>NON-CURRENT ASSETS</b>                                                                          |                     |            |                     |            | <b>NON-CURRENT LIABILITIES</b>                                                              |                     |             |                     |             |
| Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 26) | 16,130              | 1          | 21,037              | 1          | Lease liabilities - noncurrent (Notes 4, 13 and 26)                                         | 5,532               | -           | 2,073               | -           |
| Financial assets at amortized cost - noncurrent (Notes 4, 8, 26 and 28)                            | 116                 | -          | 114                 | -          | Net defined benefit liabilities - noncurrent (Notes 4 and 17)                               | 19,190              | 1           | 21,233              | 1           |
| Investment accounted for using the equity method (Notes 4 and 11)                                  | 3,083               | -          | 5,517               | -          | Guarantee deposits received (Note 27)                                                       | <u>10</u>           | -           | <u>530</u>          | -           |
| Property, plant and equipment (Notes 4, 12 and 31)                                                 | 460,310             | 15         | 467,393             | 19         | Total non-current liabilities                                                               | <u>24,732</u>       | <u>1</u>    | <u>23,836</u>       | <u>1</u>    |
| Right-of-use assets (Notes 4, 13 and 31)                                                           | 8,686               | -          | 3,352               | -          | Total liabilities                                                                           | <u>664,517</u>      | <u>21</u>   | <u>471,929</u>      | <u>19</u>   |
| Intangible assets (Notes 4 and 14)                                                                 | 72,436              | 2          | 76,814              | 3          | <b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b> (Notes 4, 18 and 19)              |                     |             |                     |             |
| Deferred tax assets (Notes 4 and 22)                                                               | 4,257               | -          | 4,022               | -          | Ordinary shares                                                                             | <u>761,235</u>      | <u>24</u>   | <u>760,592</u>      | <u>31</u>   |
| Prepayments for equipment                                                                          | -                   | -          | 50                  | -          | Capital surplus                                                                             | <u>303,181</u>      | <u>10</u>   | <u>391,907</u>      | <u>16</u>   |
| Refundable deposits                                                                                | <u>471</u>          | -          | <u>358</u>          | -          | Retained earnings                                                                           |                     |             |                     |             |
| Total non-current assets                                                                           | <u>565,489</u>      | <u>18</u>  | <u>578,657</u>      | <u>23</u>  | Legal reserve                                                                               | 526,270             | 16          | 455,518             | 18          |
|                                                                                                    |                     |            |                     |            | Special reserve                                                                             | 60,101              | 2           | 65,586              | 3           |
|                                                                                                    |                     |            |                     |            | Unappropriated earnings                                                                     | <u>1,259,813</u>    | <u>40</u>   | <u>787,007</u>      | <u>32</u>   |
|                                                                                                    |                     |            |                     |            | Total retained earnings                                                                     | <u>1,846,184</u>    | <u>58</u>   | <u>1,308,111</u>    | <u>53</u>   |
|                                                                                                    |                     |            |                     |            | 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 | <u>(30,874)</u>     | <u>(1)</u>  | <u>(60,075)</u>     | <u>(3)</u>  |
|                                                                                                    |                     |            |                     |            | Total other equity                                                                          | <u>(30,986)</u>     | <u>(1)</u>  | <u>(60,101)</u>     | <u>(3)</u>  |
|                                                                                                    |                     |            |                     |            | Treasury shares                                                                             | <u>(404,238)</u>    | <u>(13)</u> | <u>(404,238)</u>    | <u>(16)</u> |
|                                                                                                    |                     |            |                     |            | Total equity attributable to shareholders of the Company                                    | 2,475,376           | 78          | 1,996,271           | 81          |
|                                                                                                    |                     |            |                     |            | NON-CONTROLLING INTERESTS (Notes 4 and 18)                                                  | <u>47,415</u>       | <u>1</u>    | <u>9,372</u>        | <u>-</u>    |
|                                                                                                    |                     |            |                     |            | Total equity                                                                                | <u>2,522,791</u>    | <u>79</u>   | <u>2,005,643</u>    | <u>81</u>   |
| <b>TOTAL</b>                                                                                       | <u>\$ 3,187,308</u> | <u>100</u> | <u>\$ 2,477,572</u> | <u>100</u> | <b>TOTAL</b>                                                                                | <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                                                                                                                   | <u>-</u>         | <u>-</u>   | <u>-</u>         | <u>-</u>   |
| 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>         |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                                                 | <u><b>\$ 1,118,466</b></u> | <u><b>47</b></u> | <u><b>\$ 711,849</b></u> | <u><b>40</b></u> |
| <b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>                                                                      |                            |                  |                          |                  |
| 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><b>\$ 1,093,654</b></u> | <u><b>46</b></u> | <u><b>\$ 706,845</b></u> | <u><b>40</b></u> |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>                                                      |                            |                  |                          |                  |
| 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><b>\$ 1,118,466</b></u> | <u><b>47</b></u> | <u><b>\$ 711,849</b></u> | <u><b>40</b></u> |
| <b>EARNINGS PER SHARE (Note 23)</b>                                                                            |                            |                  |                          |                  |
| Basic                                                                                                          | <u><b>\$ 14.78</b></u>     |                  | <u><b>\$ 9.52</b></u>    |                  |
| Diluted                                                                                                        | <u><b>\$ 14.73</b></u>     |                  | <u><b>\$ 9.47</b></u>    |                  |

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

(Concluded)

**EMEMORY TECHNOLOGY INC. AND SUBSIDIARY**

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

|                                                                                                              | Equity Attributable to Shareholders of the Parent |            |                 |                   |                 |                         |              | Other Equity                                                                              |                                                                                             | Treasury Shares | Total        | Non-controlling Interests | Total Equity |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|-----------------|-------------------|-----------------|-------------------------|--------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|--------------|---------------------------|--------------|
|                                                                                                              | Ordinary Shares                                   |            | Capital Surplus | Retained Earnings |                 |                         |              | Exchange Differences on the Translation of the Financial Statements of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income |                 |              |                           |              |
|                                                                                                              | Number of Shares (In Thousands)                   | Amount     |                 | Legal Reserve     | Special Reserve | Unappropriated Earnings | Total        |                                                                                           |                                                                                             |                 |              |                           |              |
| BALANCE, JANUARY 1, 2020                                                                                     | 75,834                                            | \$ 758,336 | \$ 404,446      | \$ 401,471        | \$ 61,932       | \$ 545,653              | \$ 1,009,056 | \$ (4)                                                                                    | \$ (65,582)                                                                                 | \$ (404,238)    | \$ 1,702,014 | \$ -                      | \$ 1,702,014 |
| Appropriation of 2019 earnings                                                                               |                                                   |            |                 |                   |                 |                         |              |                                                                                           |                                                                                             |                 |              |                           |              |
| Legal reserve                                                                                                | -                                                 | -          | -               | 54,047            | -               | (54,047)                | -            | -                                                                                         | -                                                                                           | -               | -            | -                         | -            |
| Special reserve                                                                                              | -                                                 | -          | -               | -                 | 3,654           | (3,654)                 | -            | -                                                                                         | -                                                                                           | -               | -            | -                         | -            |
| Cash dividends distributed by the Company                                                                    | -                                                 | -          | -               | -                 | -               | (408,466)               | (408,466)    | -                                                                                         | -                                                                                           | -               | (408,466)    | -                         | (408,466)    |
| Changes in percentage of ownership interests in subsidiaries                                                 | -                                                 | -          | 24,629          | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 24,629       | (24,629)                  | -            |
| Changes in capital surplus from investments in associates accounted for using the equity method              | -                                                 | -          | 3,580           | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 3,580        | -                         | 3,580        |
| Issuance of cash dividends from capital surplus                                                              | -                                                 | -          | (111,400)       | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | (111,400)    | -                         | (111,400)    |
| Net profit (loss) for the year ended December 31, 2020                                                       | -                                                 | -          | -               | -                 | -               | 707,999                 | 707,999      | -                                                                                         | -                                                                                           | -               | 707,999      | (1,154)                   | 706,845      |
| Other comprehensive (loss) income for the year ended December 31, 2020                                       | -                                                 | -          | -               | -                 | -               | (478)                   | (478)        | (22)                                                                                      | 5,507                                                                                       | -               | 5,007        | (3)                       | 5,004        |
| Total comprehensive income (loss) for the year ended December 31, 2020                                       | -                                                 | -          | -               | -                 | -               | 707,521                 | 707,521      | (22)                                                                                      | 5,507                                                                                       | -               | 713,006      | (1,157)                   | 711,849      |
| Issuance of ordinary shares under employee share options                                                     | 226                                               | 2,256      | 69,567          | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 71,823       | -                         | 71,823       |
| Share-based payments                                                                                         | -                                                 | -          | 1,085           | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 1,085        | 158                       | 1,243        |
| Non-controlling interests                                                                                    | -                                                 | -          | -               | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | -            | 35,000                    | 35,000       |
| BALANCE, DECEMBER 31, 2020                                                                                   | 76,060                                            | 760,592    | 391,907         | 455,518           | 65,586          | 787,007                 | 1,308,111    | (26)                                                                                      | (60,075)                                                                                    | (404,238)       | 1,996,271    | 9,372                     | 2,005,643    |
| Appropriation of 2020 earnings                                                                               |                                                   |            |                 |                   |                 |                         |              |                                                                                           |                                                                                             |                 |              |                           |              |
| Legal reserve                                                                                                | -                                                 | -          | -               | 70,752            | -               | (70,752)                | -            | -                                                                                         | -                                                                                           | -               | -            | -                         | -            |
| Special reserve                                                                                              | -                                                 | -          | -               | -                 | (5,485)         | 5,485                   | -            | -                                                                                         | -                                                                                           | -               | -            | -                         | -            |
| Cash dividends distributed by the Company                                                                    | -                                                 | -          | -               | -                 | -               | (558,792)               | (558,792)    | -                                                                                         | -                                                                                           | -               | (558,792)    | -                         | (558,792)    |
| Changes in percentage of ownership interests in subsidiaries                                                 | -                                                 | -          | 3,068           | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 3,068        | (3,068)                   | -            |
| Changes in capital surplus from investments in associates accounted for using the equity method              | -                                                 | -          | 126             | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 126          | -                         | 126          |
| Issuance of cash dividends from capital surplus                                                              | -                                                 | -          | (111,759)       | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | (111,759)    | -                         | (111,759)    |
| Net profit (loss) for the year ended December 31, 2021                                                       | -                                                 | -          | -               | -                 | -               | 1,101,157               | 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                                                                                      | -               | 24,823       | (11)                      | 24,812       |
| Total comprehensive income (loss) for the year ended December 31, 2021                                       | -                                                 | -          | -               | -                 | -               | 1,102,410               | 1,102,410    | (86)                                                                                      | 23,656                                                                                      | -               | 1,125,980    | (7,514)                   | 1,118,466    |
| Issuance of ordinary shares under employee share options                                                     | 64                                                | 643        | 19,839          | -                 | -               | -                       | -            | -                                                                                         | -                                                                                           | -               | 20,482       | 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)      | -                                                                                         | 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 | \$ 47,415                 | \$ 2,522,791 |

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            |
|---------------------------------------------------------------------------------------------|------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                  |                 |
| 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                                                              | 1,477,219        | 1,009,505       |
| Interest received                                                                           | 6,949            | 7,734           |
| Income tax paid                                                                             | (136,692)        | (93,399)        |
| Net cash generated from operating activities                                                | <u>1,347,476</u> | <u>923,840</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                  |                 |
| 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                                                                          | 315              | 1,210           |
| 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)

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|                                                                                       | 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                                                                         | (109)               | (165)               |
| Net cash used in financing activities                                                 | <u>(604,458)</u>    | <u>(416,243)</u>    |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH<br>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              | %           |
| <b>CURRENT ASSETS</b>                                                                              |                     |            |                     |            | <b>CURRENT LIABILITIES</b>                                                                  |                     |             |                     |             |
| Cash (Notes 4, 6 and 25)                                                                           | \$ 2,402,303        | 77         | \$ 1,653,966        | 67         | Contract liabilities - current (Notes 19 and 26)                                            | \$ 78,327           | 3           | \$ 52,244           | 2           |
| Accounts receivable - net (Notes 4, 9, 19 and 25)                                                  | 100,634             | 3          | 117,449             | 5          | Other payables (Notes 15 and 25)                                                            | 144,696             | 5           | 130,676             | 5           |
| Other receivables (Notes 4 and 25)                                                                 | 5,269               | -          | 102                 | -          | Bonuses payable to employees and directors (Note 20)                                        | 254,989             | 8           | 164,397             | 7           |
| Other receivables - related parties (Notes 4, 25 and 26)                                           | 3,581               | -          | 918                 | -          | Payables on equipment (Note 25)                                                             | 9,647               | -           | 5,134               | -           |
| Prepayments (Note 14)                                                                              | 24,341              | 1          | 21,294              | 1          | Current tax liabilities (Notes 4 and 21)                                                    | 140,661             | 4           | 87,696              | 4           |
| Other current assets (Notes 4, 14, 25 and 26)                                                      | <u>3,805</u>        | -          | <u>3,262</u>        | -          | Lease liabilities - current (Notes 4, 12 and 25)                                            | 3,230               | -           | 1,340               | -           |
| Total current assets                                                                               | <u>2,539,933</u>    | <u>81</u>  | <u>1,796,991</u>    | <u>73</u>  | Other current liabilities (Notes 15 and 26)                                                 | <u>1,823</u>        | -           | <u>2,054</u>        | -           |
|                                                                                                    |                     |            |                     |            | Total current liabilities                                                                   | <u>633,373</u>      | <u>20</u>   | <u>443,541</u>      | <u>18</u>   |
| <b>NON-CURRENT ASSETS</b>                                                                          |                     |            |                     |            | <b>NON-CURRENT LIABILITIES</b>                                                              |                     |             |                     |             |
| 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)                                                       | <u>10</u>           | -           | <u>530</u>          | -           |
| Property, plant and equipment (Notes 4 and 11)                                                     | 458,656             | 15         | 465,056             | 19         | Total non-current liabilities                                                               | <u>24,732</u>       | <u>1</u>    | <u>23,836</u>       | <u>1</u>    |
| Right-of-use assets (Notes 4 and 12)                                                               | 8,686               | -          | 3,352               | -          | Total liabilities                                                                           | <u>658,105</u>      | <u>21</u>   | <u>467,377</u>      | <u>19</u>   |
| Intangible assets (Notes 4 and 13)                                                                 | 67,213              | 2          | 74,477              | 3          | <b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)</b>              |                     |             |                     |             |
| Deferred tax assets (Notes 4 and 21)                                                               | 4,257               | -          | 4,022               | -          | Ordinary shares                                                                             | <u>761,235</u>      | <u>24</u>   | <u>760,592</u>      | <u>31</u>   |
| Prepayments for equipment                                                                          | -                   | -          | 50                  | -          | Capital surplus                                                                             | <u>303,181</u>      | <u>10</u>   | <u>391,907</u>      | <u>16</u>   |
| Refundable deposits                                                                                | <u>396</u>          | -          | <u>315</u>          | -          | Retained earnings                                                                           |                     |             |                     |             |
| Total non-current assets                                                                           | <u>593,548</u>      | <u>19</u>  | <u>666,657</u>      | <u>27</u>  | Legal reserve                                                                               | 526,270             | 17          | 455,518             | 18          |
|                                                                                                    |                     |            |                     |            | Special reserve                                                                             | 60,101              | 2           | 65,586              | 3           |
|                                                                                                    |                     |            |                     |            | Unappropriated earnings                                                                     | <u>1,259,813</u>    | <u>40</u>   | <u>787,007</u>      | <u>32</u>   |
|                                                                                                    |                     |            |                     |            | Total retained earnings                                                                     | <u>1,846,184</u>    | <u>59</u>   | <u>1,308,111</u>    | <u>53</u>   |
|                                                                                                    |                     |            |                     |            | 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 | <u>(30,874)</u>     | <u>(1)</u>  | <u>(60,075)</u>     | <u>(3)</u>  |
|                                                                                                    |                     |            |                     |            | Total other equity                                                                          | <u>(30,986)</u>     | <u>(1)</u>  | <u>(60,101)</u>     | <u>(3)</u>  |
|                                                                                                    |                     |            |                     |            | Treasury shares                                                                             | <u>(404,238)</u>    | <u>(13)</u> | <u>(404,238)</u>    | <u>(16)</u> |
|                                                                                                    |                     |            |                     |            | Total equity                                                                                | <u>2,475,376</u>    | <u>79</u>   | <u>1,996,271</u>    | <u>81</u>   |
| <b>TOTAL</b>                                                                                       | <u>\$ 3,133,481</u> | <u>100</u> | <u>\$ 2,463,648</u> | <u>100</u> | <b>TOTAL</b>                                                                                | <u>\$ 3,133,481</u> | <u>100</u>  | <u>\$ 2,463,648</u> | <u>100</u>  |

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

## EMEMORY TECHNOLOGY INC.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 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)

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|                              | 2021     |   | 2020    |   |
|------------------------------|----------|---|---------|---|
|                              | Amount   | % | Amount  | % |
| EARNINGS PER SHARE (Note 22) |          |   |         |   |
| Basic                        | \$ 14.78 |   | \$ 9.52 |   |
| Diluted                      | \$ 14.73 |   | \$ 9.47 |   |

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 | Retained Earnings |                 |                            |              | Other Equity                                                                                                |                                                                                                               | Treasury Shares | Total Equity |
|--------------------------------------------------------------------------------------------------------------|------------------------------------|------------|-----------------|-------------------|-----------------|----------------------------|--------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------|--------------|
|                                                                                                              | Number of Shares<br>(In Thousands) | Amount     |                 | Legal Reserve     | Special Reserve | Unappropriated<br>Earnings | Total        | Exchange<br>Differences on<br>the Translation of<br>the Financial<br>Statements of<br>Foreign<br>Operations | Unrealized<br>Gain (Loss) on<br>Financial Assets<br>at Fair Value<br>Through Other<br>Comprehensive<br>Income |                 |              |
|                                                                                                              |                                    |            |                 |                   |                 |                            |              |                                                                                                             |                                                                                                               |                 |              |
| 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                                                                               |                                    |            |                 |                   |                 |                            |              |                                                                                                             |                                                                                                               |                 |              |
| Legal reserve                                                                                                | -                                  | -          | -               | 54,047            | -               | (54,047)                   | -            | -                                                                                                           | -                                                                                                             | -               | -            |
| Special reserve                                                                                              | -                                  | -          | -               | -                 | 3,654           | (3,654)                    | -            | -                                                                                                           | -                                                                                                             | -               | -            |
| Cash dividends distributed by the Company                                                                    | -                                  | -          | -               | -                 | -               | (408,466)                  | (408,466)    | -                                                                                                           | -                                                                                                             | -               | (408,466)    |
| Changes in percentage of ownership interests in subsidiaries                                                 | -                                  | -          | 24,629          | -                 | -               | -                          | -            | -                                                                                                           | -                                                                                                             | -               | 24,629       |
| 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                                                                               |                                    |            |                 |                   |                 |                            |              |                                                                                                             |                                                                                                               |                 |              |
| Legal reserve                                                                                                | -                                  | -          | -               | 70,752            | -               | (70,752)                   | -            | -                                                                                                           | -                                                                                                             | -               | -            |
| Special reserve                                                                                              | -                                  | -          | -               | -                 | (5,485)         | 5,485                      | -            | -                                                                                                           | -                                                                                                             | -               | -            |
| Cash dividends distributed by the Company                                                                    | -                                  | -          | -               | -                 | -               | (558,792)                  | (558,792)    | -                                                                                                           | -                                                                                                             | -               | (558,792)    |
| 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)      | -                                                                                                           | 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           |
|---------------------------------------------------------------------------------------------|------------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                  |                |
| 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                                                  | 90,592           | 39,277         |
| Cash generated from operations                                                              | 1,542,186        | 1,069,625      |
| Interest received                                                                           | 6,763            | 7,634          |
| Income tax paid                                                                             | (136,491)        | (93,399)       |
| Net cash generated from operating activities                                                | <u>1,412,458</u> | <u>983,860</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                  |                |
| 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)

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|                                                                                               | 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>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                   |                     |                     |
| 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>    |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br/>OF CASH HELD IN FOREIGN CURRENCIES</b> |                     |                     |
|                                                                                               | <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                       |
| <b>Beginning Balance of Unappropriated Earnings</b>                                                    |                    | <b>\$ 162,949,562</b>       |
| 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>           |
| <b>Retained Earnings Available for Distribution</b>                                                    |                    | <b>1,179,243,173</b>        |
| <b>Distribution of Shareholder Dividends - Cash (NT\$ 12.5 per share)</b>                              |                    | <b><u>(931,989,900)</u></b> |
| <b>Ending Balance of Unappropriated Earnings</b>                                                       |                    | <b><u>\$247,253,273</u></b> |

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 &<br>Major Experience                                                                                                                                                        | Current Positions                                                                                                                         | Shareholdings<br>(shares) |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Michael Ho | Master Degree in<br>Electrical and Electronics<br>Engineering, National<br>Tsing Hua University<br><br>Principal Engineer, Taiwan<br>Semiconductor<br>Manufacturing Company<br>Limited | President, eMemory Technology<br>Inc.<br><br>Director, PUFsecurity<br>Corporation<br><br>Executive Director, eMemory<br>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-<b>Based Industrial</b> 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><b><u>Article 7-2</u></b></p> <p><b><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></b></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 <b><u>share certificates</u></b> of the Company shall all be <b><u>name-bearing and consecutively numbered, and shall be signed by or affixed with the seals of three or more</u></b></p>                                                                                                                                                                                                                                        | <p>Article 8</p> <p>The <b><u>shares</u></b> of the Company shall be <b><u>registered shares</u></b>; the Company may be exempted from printing <b><u>any</u></b> share certificate <b><u>for the shares issued, however, the</u></b></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<br/>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<br/>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<br/>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<br/>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. <b><u>Election of directors of the Company shall be held at the Meeting.</u></b></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. <b><u>The shareholders shall elect the directors from among the nominees listed in the roster of director candidates.</u></b></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. <b><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></b></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, <b><u>e-mailed</u></b>, 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, <b><u>electronic transmission</u></b>, 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<br/>After the close of each fiscal year, the following reports shall be prepared by the Board, and be submitted to the Meeting for acceptance, <b><u>and be reviewed by the competent authority.</u></b></p> <ol style="list-style-type: none"> <li>1. Business Report</li> <li>2. Financial Statements</li> <li>3. Proposal Concerning Appropriation of Profits or Losses</li> </ol>                                                                                                                                                                                                                                                                                                                           | <p>Article 24<br/>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"> <li>1. Business Report</li> <li>2. Financial Statements</li> <li>3. Proposal Concerning Appropriation of Profits or Losses</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                     | <p>This amendment is made pursuant to Article 20 of the “Company Act”.</p> |
| <p>Article 25-1<br/>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"> <li>1. Reserve for tax payments.</li> <li>2. Offset accumulated losses, if any.</li> <li>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.</li> <li>4. Allocation or reverse of special reserves as required by law or government authorities.</li> <li>5. The remaining net profits and retained</li> </ol> | <p>Article 25-1<br/>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"> <li>1. Reserve for tax payments.</li> <li>2. Offset accumulated losses, if any.</li> <li>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.</li> <li>4. Allocation or reverse of special reserves as required by law or government authorities.</li> <li>5. The remaining net profits and retained</li> </ol> |                                                                            |

| 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><b><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></b></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                                 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
|                                                                                                                           | <b><u>included directly in the unappropriated earnings for current period.</u></b>                                                                                                              |                                             |
| <p>Article 29<br/>           These Articles of Incorporation were enacted on August 8, 2000.<br/>           (Omitted)</p> | <p>Article 29<br/>           These Articles of Incorporation were enacted on August 8, 2000.<br/>           (Omitted)<br/> <b><u>The sixteenth amendment was made on June 15, 2022.</u></b></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**

| <b>Before Revision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>After Revision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Explanation</b>                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <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</p> <p>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. <b><u>If the certified public accountant needs to use the report of an export 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></b></p> <p>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</p> <p>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 <b><u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation</u></b> 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                                                                   |
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| <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 |
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| <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><b><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></b></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 |
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| <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><b><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></b></p> |             |

| Before Revision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | After Revision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Explanation                                                                                                                                     |
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| <p>3~8. (Omitted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <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> |

| <b>Before Revision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>After Revision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Explanation</b>                                                                                                                              |
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| <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 |
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| <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 <b><u>or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</u></b></p> <p>II. Trading of bonds under repurchase and resale agreements, or subscription or redemption of</p> |             |

| Before Revision                                                                                                                                                                                                                                                                                                                                                                                                                          | After Revision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Explanation                                                                                                                                  |
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| <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. <b><u>The subsidiaries</u></b> of the Company shall <b><u>also establish its</u></b> “Procedures for Acquisition or Disposal of Assets” pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” <b><u>and so implement.</u></b></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. <b><u>The acquisition or disposal of the assets by the subsidiaries</u></b> of the Company shall <b><u>be processed in accordance with these procedures.</u></b> <b><u>However, this provision does not apply if the subsidiaries of the Company have established their</u></b> “Procedures for Acquisition or Disposal of Assets” pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. <b><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></b></p> <p>2~3. (Omitted)</p> | <p>This amendment is made pursuant to Q&amp;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>                                                                                                  |

| <b>Before Revision</b>                                                                                                                                                                                                                                                                                                     | <b>After Revision</b>                                                                                                                                                                                                                                                                                                                                                                   | <b>Explanation</b> |
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| <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. <b><u>The tenth amendment was made on June 15, 2022.</u></b></p> |                    |

**eMemory Technology Inc.**

**Update of Concurrent Positions Held by the Directors**

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