

eMemory Technology Inc.
2024 General
Shareholders' Meeting

Agenda



Time: 9:00AM, June 19, 2024

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

Notice to Readers

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

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I. Meeting Procedure

eMemory Technology Inc.

Meeting Procedure of 2024 General Shareholders' Meeting

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

II. Meeting Agenda

eMemory Technology Inc.
Meeting Agenda of 2024 General Shareholders' Meeting

Time : 9:00 AM (on Wednesday) June 19, 2024

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

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

1. Commencement of the Meeting

2. Chairman's Address

3. Reported Matters

- (1) Report on the Business of 2023.
- (2) Audit Committee's Review Report for 2023.
- (3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2023.

4. Acknowledged Matters

- (1) Adoption of the Business Report and Financial Statements of 2023.
- (2) Adoption of the Proposal for Profit Distribution of 2023.

5. Election Matters

- (1) Election of the Company's Directors for the 9th Term.

6. Matters for Discussion

- (1) Release New Directors from Non-Competition Restrictions.

7. Extemporaneous Motions

8. Adjournment

3. Reported Matters

Report No. 1 Proposed by the Board of Directors

- Subject : Report on the Business of 2023.
Explanation : 1. The status of business operation in 2023 is reported by the President.
2. Please refer to the 2023 Business Report (Attachment 1, pages 11 to 12).

Report No. 2 Proposed by the Board of Directors

- Subject : Audit Committee's Review Report for 2023.
Explanation : Please refer to the Audit Committee's Review Report (Attachment 2, page 13).

Report No. 3 Proposed by the Board of Directors

- Subject : Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2023.
Explanation : 1. The employees' compensation and Directors' remuneration of 2023 is resolved by the Board of Directors on February 21, 2024, both shall be distributed by cash.
2. 15% is set aside as the employees' compensation, which is in a total amount of NT\$ 302,976,635.
3. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 30,297,663.
4. There is no difference between the assessed amounts and distributed amounts of employees' compensation and Directors' remuneration.

4. Acknowledged Matters

Proposal No. 1

Proposed by the Board of Directors

- Subject : Adoption of the Business Report and Financial Statements of 2023.
- Explanation : 1. The 2023 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 15th Meeting of the Board of Directors of the 8th Term on February 21, 2024, and audited by the certified public accountants Cheng-Chih Lin and Ya-Yun Chang 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 2023 Business Report (Attachment 1, pages 11 to 12), Independent Auditors' Report and Financial Statements (Attachment 3, pages 14 to 31).
- Resolution :

Proposal No. 2

Proposed by the Board of Directors

- Subject : Adoption of the Proposal for Profit Distribution of 2023.
- Explanation : 1. The net profit of the Company for 2023 was NT\$ 1,474,443,425. The Company wrote off unappropriated earnings of NT\$ 388,104,257 due to the cancellation of treasury shares, and a provision of NT\$ 2,082,744 was added for the reversal of former pension preserve liabilities as per the pension actuarial report. Furthermore, a special reserve of NT\$ 189,836 was set aside in compliance with the law. Considering the beginning balance of unappropriated earnings, which was NT\$ 312,462,361, the accumulated retained earnings available for distribution amounted to NT\$ 1,400,694,437.
2. Proposing to allocate the amount of NT\$ 1,306,408,985 to shareholders as dividends from the surplus earnings, with all dividends intended to be distributed in cash. (Cash dividends will be distributed at NT\$ 17.5 per share, calculated based on the 74,651,942 outstanding shares issued up to February 20, 2024, rounded down to the nearest whole number. Any fractional balance less than NT\$ 1 shall be summed up and recognized as other income of the Company.)

3. The distribution of the aforementioned cash dividends will be proposed during the General Shareholders' Meeting to authorize the Chairman to set the dividend distribution date and handle the affairs related to the distribution of cash dividends.
4. In the event that the number of outstanding shares is affected due to the execution of employee stock option, granting restricted stock awards, repurchase of the Company's common share, transfer of the repurchased shares, or cancellation of the shares, resulting in a change in the ratio of dividend distribution per share, the General Shareholders' Meeting proposes to authorize the Chairman to make any necessary adjustments and proceed with the relevant matters.
5. Please refer to the proposed 2023 Statement of Profit Distribution (Attachment 4, page 32).

Resolution :

5. Election Matters

Proposal No. 1

Proposed by the Board of Directors

Subject : Election of the Company's Directors for the 9th Term.

Explanation : 1. The 8th term of the Board of Directors has expired. The new Board of Directors will be elected during the General Shareholders' Meeting according to Article 195 of the Company Act.

2. The election will be conducted according to the Company's "Rules for Election of Directors". Ten Directors (including three Independent Directors) will be elected as per Article 16 of the Company's Articles of Incorporation, employing a candidate nomination system. The election process will utilize the cumulative voting method. The Directors and Independent Directors will be elected simultaneously, while the counts for each category will be calculated separately.

3. The 9th term of the Board of Directors shall commence on June 19, 2024 and expire on June 18, 2027, for a total period of three years. The newly elected Directors shall assume the office immediately after the conclusion of the General Shareholders' Meeting. The term of the existing Board of Directors shall terminate upon the conclusion of the General Shareholders' Meeting.

4. The candidates for the 9th term of Board of Directors have been approved during the 16th Meeting held by the 8th term Board of Directors on May 2, 2024. Please refer to the list (Attachment 5, pages 33 to 36).

5. According to Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", if an Independent Director candidate has already served as an Independent Director of the Company for three consecutive terms or more, the Company must publicly disclose the reasons for continuing their nomination at the Shareholder's Meeting. The Company's Independent Director, Mr. T.C. Chen, has served as the Company's Independent Director from the 6th to the 8th terms. He is highly regarded for his expertise and ethics, along with extensive experience in corporate management, decision making, industry knowledge and professional expertise. Mr. Chen provides independent judgment and objective opinions regarding the Company's affairs, which greatly contribute to supervising its operations and protecting shareholders' rights.

6. An election is thus requested.

Voting Result :

6. Matters for Discussion

Proposal No. 1

Proposed by the Board of Directors

Subject : Release New Directors from Non-Competition Restrictions.

Explanation : 1. In accordance with the provisions of Article 209 of the Company Act, “Directors who engage in activities for themselves or on behalf of another person within the scope of the company's business shall explain the details of such activities to the shareholders’ meeting and obtain approval.”

2. If the 9th term of Board of Directors are elected during this year’s General Shareholders’ Meeting, please refer to Attachment 6 (page 37) for the newly elected Directors who hold concurrent positions with their investment or are involved in managing another company that has identical or similar as the Company. It is requested that the Shareholders Meeting agree to lift the non-competition restrictions on the new Directors and their representatives.

Resolution :

7. Extemporaneous Motions

8. Adjournment

III. Attachments

**2023 Business Report
of
eMemory Technology Inc.**

Dear Shareholders,

Looking back on the past year, despite facing challenging market conditions, eMemory successfully achieved many goals and projects, including signing a record-breaking number of licensing cases. These accomplishments have helped lay a solid foundation for continued growth in the future. Here, we will share the results of these efforts:

- For operating and financial results:
 - The consolidated revenue was NT\$3,050 million, marking a 5.2% decrease compared to the previous year. Royalties constituted 69.6% of the total revenue, reflecting a decrease of 14.1% from the previous year. Licensing accounted for 30.4% of the total revenue, increasing 24.8% compared to the previous year. This suggests that economic challenges and slow inventory turnover have significantly impacted royalty revenue. However, our proactive promotion of various technologies and applications, along with the widespread deployment of process platforms, has contributed to the growth of licensing revenue across product lines. In terms of advanced processes, the number of NTOs continue to increase.
 - The consolidated operating income was NT\$1,693 million, decreasing 8.7% compared to the previous year. Net income decreased by 8.5% to NT\$1,474 million. Earnings per share experienced an 8.6% decrease to NT\$19.76.
 - The consolidated ending cash balance was NT\$2,732 million.
- In terms of research and development and platform development, embedded non-volatile memory (eNVM) components have moved towards the most advanced process platforms. We've also developed memory technology for multiple applications, meeting the diverse needs of various electronic devices.
 - In terms of technology development, NeoFuse continues to expand across various foundry platforms. Currently, we can supply our IPs to platforms ranging from 28nm to 3nm. Moreover, we have begun early-stage development for 2nm, with plans to incorporate it into AI, HPC, ADAS, 5G, Confidential Computing, and other related applications. In our development of NeoBit, NeoEE, NeoMTP, NeoFlash and RRAM, we are also actively introducing these technologies to automotive applications.
 - In terms of production platforms, our IPs have been adopted by customers in 25 cases below 7nm, leading to a sustained growth of royalties in advanced processes. Additionally, there is ongoing expansion of global production capacity for mature processes. Our e-NVM technology

is being actively integrated into various applications, including DRAM, ISP (CIS), OLED DDI, PMIC, and MCU. As a result, we expect that these expanded production capacities will drive royalty revenue for us in the future.

- As of the end of 2023, eMemory's customer base encompasses global wafer foundries, integrated device manufacturers (IDMs) and chip design companies. Our partners have expanded to include over 35 semiconductor manufacturers and 2,381 chip design companies. Notably, our IPs have been successfully integrated into more than 6,900 new products worldwide.

Looking ahead to this year (2024) and beyond, the number of new product designs for existing product applications (OLED DDI, TDDI, PMIC, Fingerprint, DTV, MCU, STB) and for ISP, DRAM, CIS, Connectivity and related ICs will continue to increase, driving royalty growth. Our new Security IP has currently attracted nearly 60 license cases, with over 80% in advanced processes below 28/22nm. In terms of marketing strategy, we are collaborating with world-class leading manufacturers of CPU IP companies and design service companies. Our collaboration and joint promotional efforts with design service companies and foundries are also gaining momentum. With the rapid increase in the market demand for information security, we are optimistic about the growth of licensing and royalties driven by PUF-related technologies.

In terms of award recognition, NeoFlash was honored with the "Best IP-Memory Category" and "Best Innovation Award" from the EE Awards, due to its excellent performance. Similarly, NeoPUF has received numerous awards for its outstanding patents and commercial application value. It stood out and won the Innovative Product Award from the Hsinchu Science Park Bureau. Furthermore, eMemory is the only company in the industry highly recognized for having been awarded TSMC's Best IP Partner for 14 consecutive years.

Despite encountering a sluggish market environment last year, eMemory's revenue only saw a slight decrease of 5%. This resilience can be attributed to our development of new technologies, which have enabled us to secure new partnership cases with customers. These efforts serve as the driving forces for future growth. Upholding the corporate spirit encapsulated by RISE (Responsibility, Innovation, Sustainability, Excellence), we remain steadfast in our commitment to achieving company growth.

Finally, I would like to express my sincere gratitude to our shareholders for their long-term support, which has been instrumental in our pursuit of excellence. We wish everyone good health and all the best. Thank you.

Chairman:
Charles Hsu

President:
Michael Ho

Accounting Officer:
Teresa Kuo

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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. 2024 General Shareholders' Meeting

eMemory Technology Inc.

Chairman of the Audit Committee: Ming-To Yu

February 21, 2024



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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, 2023 and 2022, 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 material accounting policy information (collectively referred to as the “consolidated financial statements”).

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 is stated as follows:

1. Royalty fees are the Group's major source of revenue; refer to Note 21 for related information. When the customers of the Group, the IC design houses, use 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 the appropriate time.

3. We confirmed the accuracy of the 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, 2023 and 2022 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 Standards on Auditing of 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 Standards on Auditing of 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, 2023, 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 Cheng-Chih Lin and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 2024

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 SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21, 28 and 33)	\$ 3,050,325	100	\$ 3,216,711	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	<u>3,050,325</u>	<u>100</u>	<u>3,216,711</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 22 and 28)				
Selling and marketing expenses	229,597	8	220,275	7
General and administrative expenses	281,717	9	297,436	9
Research and development expenses	846,465	28	846,920	26
Reversal of expected credit loss (Notes 4 and 9)	<u>(54)</u>	<u>-</u>	<u>(1,338)</u>	<u>-</u>
Total operating expenses	<u>1,357,725</u>	<u>45</u>	<u>1,363,293</u>	<u>42</u>
OPERATING INCOME	<u>1,692,600</u>	<u>55</u>	<u>1,853,418</u>	<u>58</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 22)	65,256	2	15,416	-
Other income (Notes 4, 13, 22 and 28)	1,854	-	2,422	-
Other gains and losses (Notes 4, 22 and 25)	(4,959)	-	39,892	1
Finance costs (Notes 4 and 22)	(442)	-	(144)	-
Share of loss of associates (Notes 4 and 11)	<u>(3,317)</u>	<u>-</u>	<u>(2,080)</u>	<u>-</u>
Total non-operating income and expenses	<u>58,392</u>	<u>2</u>	<u>55,506</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,750,992	57	1,908,924	59
INCOME TAX EXPENSE (Notes 4 and 23)	<u>288,335</u>	<u>9</u>	<u>304,783</u>	<u>9</u>
NET PROFIT FOR THE YEAR	<u>1,462,657</u>	<u>48</u>	<u>1,604,141</u>	<u>50</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 18)	2,083	-	2,702	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss) (Notes 4, 19 and 27)	455	-	(6,562)	-

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	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 19)	\$ (663)	-	\$ 886	-
Share of the other comprehensive income of associates accounted for using the equity method (Notes 4, 11 and 19)	<u>9</u>	<u>-</u>	<u>1</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>1,884</u>	<u>-</u>	<u>(2,973)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,464,541</u>	<u>48</u>	<u>\$ 1,601,168</u>	<u>50</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,474,443	48	\$ 1,611,909	50
Non-controlling interests	<u>(11,786)</u>	<u>-</u>	<u>(7,768)</u>	<u>-</u>
	<u>\$ 1,462,657</u>	<u>48</u>	<u>\$ 1,604,141</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 1,476,336	48	\$ 1,608,867	50
Non-controlling interests	<u>(11,795)</u>	<u>-</u>	<u>(7,699)</u>	<u>-</u>
	<u>\$ 1,464,541</u>	<u>48</u>	<u>\$ 1,601,168</u>	<u>50</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 19.76</u>		<u>\$ 21.61</u>	
Diluted	<u>\$ 19.70</u>		<u>\$ 21.51</u>	

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

(Concluded)

EEMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company											
	Ordinary Shares		Retained Earnings			Other Equity			Total			
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Difference on the Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	76,124	\$ 761,235	\$ 303,181	\$ 526,270	\$ 60,101	\$ 1,259,813	\$ 1,846,184	\$ (112)	\$ (30,874)	\$ (404,238)	\$ 47,415	\$ 2,522,791
Appropriation of 2021 earnings	-	-	-	109,686	-	(109,686)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(29,116)	29,116	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(931,990)	(931,990)	-	-	-	-	(931,990)
Changes in percentage of ownership interests in subsidiaries	-	-	(13,814)	-	-	-	-	-	-	-	13,814	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	14,182	-	-	-	-	-	-	-	-	14,182
Issuance of cash dividends from capital surplus	-	-	(111,839)	-	-	-	-	-	-	-	-	(111,839)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	1,611,909	1,611,909	-	-	-	(7,768)	1,604,141
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,702	2,702	818	(6,562)	-	69	(3,023)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,614,611	1,614,611	818	(6,562)	-	(7,699)	1,601,168
Issuance of ordinary shares under employee share options	61	610	18,812	-	-	-	-	-	-	-	8,867	28,289
Share-based payments	-	-	-	-	-	-	-	-	-	-	723	723
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(31,750)	(31,750)	-	31,750	-	-	-
BALANCE, DECEMBER 31, 2022	76,185	761,845	210,522	635,956	30,985	1,830,114	2,497,055	706	(5,686)	(404,238)	33,120	3,093,324
Appropriation of 2022 earnings	-	-	-	125,888	-	(125,888)	-	-	-	-	-	-
Legal reserve	-	-	-	-	(26,005)	26,005	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(1,417,769)	(1,417,769)	-	-	-	-	(1,417,769)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	8,365	-	-	-	-	-	-	-	(8,365)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	186	-	-	-	-	-	-	-	-	186
Issuance of cash dividends from capital surplus	-	-	(111,929)	-	-	-	-	-	-	-	-	(111,929)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	1,474,443	1,474,443	-	-	-	(11,786)	1,462,657
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,083	2,083	(643)	455	-	(9)	1,884
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,476,526	1,476,526	(643)	455	-	(11,795)	1,464,541
Issuance of ordinary shares under employee share options	25	248	7,633	-	-	-	-	-	-	-	90	7,971
Share-based payments	-	-	-	-	-	-	-	-	-	-	2,022	2,022
Retirement of treasury shares	(1,567)	(15,670)	(464)	-	-	(388,104)	(388,104)	-	-	404,238	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(15,432)	(15,432)
BALANCE, DECEMBER 31, 2023	74,643	746,423	114,313	761,844	4,920	1,400,884	2,167,708	61	(6,231)	-	30,504	3,053,778

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

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,750,992	\$ 1,908,924
Adjustments for:		
Depreciation expenses	40,199	39,318
Amortization expenses	85,495	35,584
Reversal of expected credit loss	(54)	(1,338)
Finance costs	442	144
Interest income	(65,256)	(15,416)
Dividend income	(363)	(932)
Share-based payments	2,022	723
Share of loss of associates	3,317	2,080
Property, plant and equipment transferred to expenses	66	-
Gain on disposal of investments	-	(86)
Net loss (gain) on foreign currency exchange	24,505	(18,580)
Intangible assets transferred to expenses	632	-
Changes in operating assets and liabilities		
Accounts receivable	36,343	(137,271)
Accounts receivable - related parties	3,038	(3,084)
Other receivables	-	5,118
Prepayments	184	7,261
Other current assets	(817)	(303)
Contract liabilities	9,760	(9,435)
Other payables	(7,124)	29,631
Other payables - related parties	(10)	10
Other current liabilities	500	51
Net defined benefit liabilities	(619)	(776)
Bonuses payable to employees and directors	(35,950)	129,992
Cash generated from operations	1,847,302	1,971,615
Interest received	63,307	14,550
Income tax paid	(384,892)	(304,269)
Net cash generated from operating activities	<u>1,525,717</u>	<u>1,681,896</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	4,654
Acquisition of financial assets at fair value through profit or loss	-	(370,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	370,086
Acquisition of property, plant and equipment	(47,462)	(38,835)
Increase in refundable deposits	-	(351)
Decrease in refundable deposits	128	-
Acquisition of intangible assets	(91,239)	(37,335)
Increase in prepayments for equipment	(224,714)	-
Dividends received	363	932
Net cash used in investing activities	<u>(362,924)</u>	<u>(70,849)</u>

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 30,000	\$ -
Repayment of the principal portion of lease liabilities	(3,669)	(3,233)
Dividends paid	(1,529,693)	(1,043,820)
Exercise of employee share options	7,971	28,289
Interest paid	(422)	(144)
Increase (decrease) in non-controlling interests	<u>15,432</u>	<u>(30,000)</u>
Net cash used in financing activities	<u>(1,480,381)</u>	<u>(1,048,908)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(17,156)</u>	<u>21,364</u>
NET (DECREASE) INCREASE IN CASH	(334,744)	583,503
CASH AT THE BEGINNING OF THE YEAR	<u>3,066,268</u>	<u>2,482,765</u>
CASH AT THE END OF THE YEAR	<u>\$ 2,731,524</u>	<u>\$ 3,066,268</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, 2023 and 2022, 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 material accounting policy information (collectively referred to as the "financial statements").

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 is stated as follows:

1. Royalty fees are the Company's major source of revenue; refer to Note 19 for related information. When the customers of the Company and the IC design houses use 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 the appropriate time.

3. We confirmed the accuracy of the 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 Standards on Auditing of 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 Standards on Auditing of 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, 2023, 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 Cheng-Chih Lin and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 2024

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
CURRENT ASSETS								
Cash (Notes 4, 6 and 25)	\$ 2,594,104	71	\$ 2,935,574	76	\$ 79,194	2	\$ 67,777	2
Accounts receivable - net (Notes 4, 9, 19 and 25)	179,770	5	209,101	5	160,780	5	169,837	4
Accounts receivable - related parties (Notes 4, 19, 25 and 26)	-	-	3,071	-	1,685	-	10	-
Other receivables (Notes 4 and 25)	2,795	-	986	-	349,031	10	384,981	10
Other receivables - related parties (Notes 4, 25 and 26)	7,512	-	21,895	1	9,220	-	6,735	-
Prepayments (Note 14)	13,803	-	17,862	1	44,435	1	139,676	4
Other current assets (Notes 4, 14 and 25)	4,880	-	4,157	-	1,690	-	3,299	-
Total current assets	<u>2,802,864</u>	<u>76</u>	<u>3,192,646</u>	<u>83</u>	<u>648,287</u>	<u>18</u>	<u>773,897</u>	<u>20</u>
NON-CURRENT ASSETS								
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 25)	5,369	-	4,914	-	547	-	2,237	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 25 and 27)	118	-	116	-	13,010	-	15,712	1
Investment accounted for using the equity method (Notes 4 and 10)	107,719	3	120,790	3	13,567	-	17,959	1
Property, plant and equipment (Notes 4 and 11)	469,013	13	458,760	12	661,854	18	791,856	21
Right-of-use assets (Notes 4 and 12)	2,182	-	5,438	-	-	-	-	-
Intangible assets (Notes 4 and 13)	68,939	2	66,254	2	-	-	-	-
Deferred tax assets (Notes 4 and 21)	3,770	-	2,743	-	-	-	-	-
Prepayments for equipment (Notes 14 and 28)	224,714	6	-	-	746,423	20	761,845	20
Refundable deposits	440	-	399	-	114,313	3	210,522	5
Total non-current assets	<u>882,264</u>	<u>24</u>	<u>659,414</u>	<u>17</u>	<u>1,485,128</u>	<u>41</u>	<u>1,773,956</u>	<u>46</u>
TOTAL	<u>\$ 3,685,128</u>	<u>100</u>	<u>\$ 3,852,060</u>	<u>100</u>	<u>\$ 3,685,128</u>	<u>100</u>	<u>\$ 3,852,060</u>	<u>100</u>
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Contract liabilities - current (Notes 19 and 26)								
Other payables (Notes 15 and 25)								
Other payables - related parties (Notes 15, 25 and 26)								
Bonuses payable to employees and directors (Note 20)								
Payables on equipment (Note 25)								
Current tax liabilities (Notes 4 and 21)								
Lease liabilities - current (Notes 4, 12 and 25)								
Other current liabilities (Note 15)								
Total current liabilities								
NON-CURRENT LIABILITIES								
Lease liabilities - noncurrent (Notes 4, 12 and 25)								
Net defined benefit liabilities - noncurrent (Notes 4 and 16)								
Guarantee deposits received								
Total non-current liabilities								
Total liabilities								
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)								
Ordinary shares								
Capital surplus								
Retained earnings								
Legal reserve								
Special reserve								
Unappropriated earnings								
Total retained earnings								
Other equity								
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								
Total other equity								
Treasury shares								
Total equity								
TOTAL	<u>\$ 3,685,128</u>	<u>100</u>	<u>\$ 3,852,060</u>	<u>100</u>	<u>\$ 3,685,128</u>	<u>100</u>	<u>\$ 3,852,060</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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 26)	\$ 2,931,463	100	\$ 3,109,833	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	<u>2,931,463</u>	<u>100</u>	<u>3,109,833</u>	<u>100</u>
OPERATING EXPENSES (Notes 4, 20 and 26)				
Selling and marketing expenses	160,204	5	172,355	5
General and administrative expenses	262,912	9	285,249	9
Research and development expenses	762,872	26	769,700	25
Reversal of expected credit loss (Notes 4 and 9)	<u>(54)</u>	<u>-</u>	<u>(1,338)</u>	<u>-</u>
Total operating expenses	<u>1,185,934</u>	<u>40</u>	<u>1,225,966</u>	<u>39</u>
OPERATING INCOME	<u>1,745,529</u>	<u>60</u>	<u>1,883,867</u>	<u>61</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 20)	61,400	2	14,664	-
Other income (Notes 4, 12, 20 and 26)	2,223	-	2,760	-
Other gains and losses (Notes 4, 20, 23 and 26)	(339)	-	59,308	2
Finance costs (Notes 4, 20 and 26)	(78)	-	(144)	-
Share of loss of subsidiaries and associates (Notes 4 and 10)	<u>(46,523)</u>	<u>(2)</u>	<u>(44,077)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>16,683</u>	<u>-</u>	<u>32,511</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,762,212	60	1,916,378	62
INCOME TAX EXPENSE (Notes 4 and 21)	<u>287,769</u>	<u>10</u>	<u>304,469</u>	<u>10</u>
NET PROFIT FOR THE YEAR	<u>1,474,443</u>	<u>50</u>	<u>1,611,909</u>	<u>52</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)	2,083	-	2,702	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss) (Notes 4, 17 and 25)	455	-	(6,562)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method (Notes 4, 10 and 17)	<u>(645)</u>	<u>-</u>	<u>818</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>1,893</u>	<u>-</u>	<u>(3,042)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,476,336</u>	<u>50</u>	<u>\$ 1,608,867</u>	<u>52</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	\$ 19.76		\$ 21.61	
Diluted	\$ 19.70		\$ 21.51	

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Ordinary Shares		Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings		Total	Other Equity			Total Equity
	Number of Shares (In Thousands)	Amount				Unappropriated Earnings	Treasury Shares		Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	
BALANCE, JANUARY 1, 2022	76,124	\$ 761,235	\$ 303,181	\$ 526,270	\$ 60,101	\$ 1,259,813	\$ 1,846,184	\$ (112)	\$ (30,874)	\$ (404,238)	\$ 2,475,376	
Appropriation of 2021 earnings	-	-	-	-	-	(109,686)	-	-	-	-	-	
Legal reserve	-	-	-	109,686	-	(29,116)	-	-	-	-	-	
Reversal of special reserve	-	-	-	-	(29,116)	(931,990)	(931,990)	-	-	-	(931,990)	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	
Changes in percentage of ownership interests in subsidiaries	-	-	(13,814)	-	-	-	-	-	-	-	(13,814)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	14,182	-	-	-	-	-	-	-	14,182	
Issuance of cash dividends from capital surplus	-	-	(111,839)	-	-	-	-	-	-	-	(111,839)	
Net profit for the year ended December 31, 2022	-	-	-	-	-	1,611,909	1,611,909	-	-	-	1,611,909	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,702	2,702	818	(6,562)	-	(3,042)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,614,611	1,614,611	818	(6,562)	-	1,608,867	
Issuance of ordinary shares under employee share options	61	610	18,812	-	-	-	-	-	-	-	19,422	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(31,750)	(31,750)	-	-	-	-	
BALANCE, DECEMBER 31, 2022	76,185	761,845	210,522	635,956	30,985	1,830,114	2,497,055	706	(5,686)	(404,238)	3,060,204	
Appropriation of 2022 earnings	-	-	-	-	-	(125,888)	-	-	-	-	-	
Legal reserve	-	-	-	125,888	-	(26,005)	-	-	-	-	-	
Reversal of special reserve	-	-	-	-	(26,005)	(1,417,769)	(1,417,769)	-	-	-	(1,417,769)	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	
Changes in percentage of ownership interests in subsidiaries	-	-	8,365	-	-	-	-	-	-	-	8,365	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	186	-	-	-	-	-	-	-	186	
Issuance of cash dividends from capital surplus	-	-	(111,929)	-	-	-	-	-	-	-	(111,929)	
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,474,443	1,474,443	-	-	-	1,474,443	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,083	2,083	(645)	455	-	1,893	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,476,526	1,476,526	(645)	455	-	1,476,336	
Issuance of ordinary shares under employee share options	25	248	7,633	-	-	-	-	-	-	-	7,881	
Retirement of treasury shares	(1,567)	(15,670)	(464)	-	-	(388,104)	(388,104)	-	-	404,238	-	
BALANCE, DECEMBER 31, 2023	74,643	746,423	114,313	761,844	4,980	1,400,884	2,167,708	61	(5,231)	-	3,023,274	

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,762,212	\$ 1,916,378
Adjustments for:		
Depreciation expenses	38,753	38,436
Amortization expenses	79,311	30,379
Reversal of expected credit loss	(54)	(1,338)
Finance costs	78	144
Interest income	(61,400)	(14,664)
Dividend income	(363)	(932)
Share-based payments	580	176
Share of loss of subsidiaries and associates	46,523	44,077
Gain on disposal of investments	-	(86)
Net loss (gain) on foreign currency exchange	23,196	(15,904)
Intangible assets transferred to expenses	35	-
Changes in operating assets and liabilities		
Accounts receivable	21,677	(109,077)
Accounts receivable - related parties	3,038	(3,084)
Other receivables	-	5,118
Other receivables - related parties	14,383	(18,314)
Prepayments	4,059	6,479
Other current assets	(723)	(352)
Contract liabilities	11,417	(10,550)
Other payables	(9,007)	21,146
Other payables - related parties	1,675	10
Other current liabilities	670	(241)
Net defined benefit liabilities	(619)	(776)
Bonuses payable to employees and directors	(35,950)	129,992
Cash generated from operations	1,899,491	2,017,017
Interest received	59,589	13,829
Income tax paid	(384,037)	(303,940)
Net cash generated from operating activities	<u>1,575,043</u>	<u>1,726,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	4,654
Acquisition of financial assets at fair value through profit or loss	-	(370,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	370,086
Acquisition of investments accounted for using the equity method	(26,126)	(121,763)
Acquisition of property, plant and equipment	(43,140)	(38,197)
Increase in refundable deposits	(41)	(3)
Acquisition of intangible assets	(82,031)	(29,420)
Increase in prepayments for equipment	(224,714)	-
Dividends received	363	932
Net cash used in investing activities	<u>(375,689)</u>	<u>(183,711)</u>

(Continued)

EMEMORY TECHNOLOGY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (3,299)	\$ (3,233)
Dividends paid	(1,529,693)	(1,043,820)
Exercise of employee share options	7,881	19,422
Interest paid	<u>(78)</u>	<u>(144)</u>
Net cash used in financing activities	<u>(1,525,189)</u>	<u>(1,027,775)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(15,635)</u>	<u>17,851</u>
NET (DECREASE) INCREASE IN CASH	(341,470)	533,271
CASH AT THE BEGINNING OF THE YEAR	<u>2,935,574</u>	<u>2,402,303</u>
CASH AT THE END OF THE YEAR	<u>\$ 2,594,104</u>	<u>\$ 2,935,574</u>

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

(Concluded)

eMemory Technology Inc.
Statement of Profit Distribution
2023

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning Balance of Unappropriated Earnings		\$ 312,462,361
Net Profit of 2023	1,474,443,425	
Cancellation of Treasury Shares	(388,104,257)	
Remeasurement of Defined Benefit Plans Counted in Retained Earnings	2,082,744	
Special Reserve Appropriated	<u>(189,836)</u>	
Balance After Adding Adjustments to Net Profit for the Year		<u>1,088,232,076</u>
Retained Earnings Available for Distribution		1,400,694,437
Distribution of Shareholder Dividends - Cash (NT\$ 17.5 per share)		<u>(1,306,408,985)</u>
Ending Balance of Unappropriated Earnings		<u>\$ 94,285,452</u>

Chairman: Charles Hsu

President: Michael Ho

Accounting Officer: Teresa Kuo

- Remarks: 1. According to the Rule No.871941343 issued by the Ministry of Finance on April 30, 1998, when distributing earnings, it shall be identified respectively; the earnings distributed in this year shall be those of the latest year.
2. The shareholder cash dividends is in a total amount of NT\$ 1,306,408,985, to be distributed by NT\$ 17.5 per share, this is calculated by basing on the issued 74,651,942 outstanding shares up to February 20, 2024, 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 9th term of Director Candidates**

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Charles Hsu	<p>Ph.D. in Electrical Engineering, University of Illinois, Urbana-Champaign, U.S.A.</p> <p>Chairman, Institute of Electronics Engineering, National Tsing Hua University</p> <p>Researcher, IBM T.J. Watson Research Center, NY, U.S.A.</p>	<p>Chairman, eMemory Technology Inc.</p> <p>Chairman, iMQ Technology Inc.</p> <p>Chairman, PUFsecurity USA Corporation</p> <p>Chairman & President, PUFsecurity Corporation</p> <p>Director, SecuX Technology Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Inc.</p> <p>Independent Director, Remuneration Committee Member & Audit Committee Member, Materials Analysis Technology Inc.</p> <p>Director, Powerchip Semiconductor Manufacturing Corporation</p> <p>Director, National Applied Research Laboratories</p>	1,429,407
Li-Jeng Chen	<p>Master of Air Transportation Management, University of Hawaii, Travel Industry Management School, U.S.A.</p> <p>Chief Investment Officer, Cathay Securities Investment Trust</p> <p>Portfolio Manager, Invesco Global Technology Fund</p>	<p>Director & Investor Relations, eMemory Technology Inc.</p>	2,338,000

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
Mu-Chuan Hsu	<p>Bachelor Degree in Medicine, China Medical University</p> <p>Attending Physician, Department of Obstetrics & Gynecology, National Taiwan University Hospital</p> <p>Superintendent, North Town Women & Children Hospital</p>	<p>Director, eMemory Technology Inc.</p> <p>Director, iMQ Technology Inc.</p> <p>Attending Physician, Fu Jen Catholic University Hospital</p> <p>Director, HsinChu Kuang-Fu High School</p>	1,273,179
Michael Ho	<p>Master Degree in Electrical and Electronics Engineering, National Tsing Hua University</p> <p>Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited</p>	<p>Director & President, eMemory Technology Inc.</p> <p>Director, PUFsecurity Corporation</p> <p>Executive Director, eMemory Japan Corporation</p> <p>Director, PUFsecurity Technology (Shanghai) Corporation</p> <p>Supervisor, Taiwan Advanced Automotive Technology Development Association</p>	44,250
How-Han Investment Corporation Representative : Felix Hsu	<p>Ph.D. in Materials / Bioengineering, University of California, San Diego, U.S.A.</p> <p>Master of Neurobiology and Anatomy, Boston University, U.S.A.</p> <p>Bachelor of Science in Biology and Chemistry, Duke University, U.S.A.</p> <p>Principle Investigator for study sponsored by the A+ Enterprise Innovation and Research Development Refinement Program, by the Ministry of Economic Affairs</p>	<p>Director, eMemory Technology Inc.</p> <p>Chief Scientific Officer, PELL BIO-MED TECHNOLOGY CO., LTD.</p> <p>Supervisor, HanYu Assets Co. Ltd</p>	1,131,697

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
<p>How-Han Investment Corporation Representative : Chris Lu</p>	<p>Master Degree in Photonics and Optoelectronics, National Taiwan University R&D Engineer, Philips Electronics Ltd. Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited.</p>	<p>Director & Vice President, eMemory Technology Inc.</p>	<p>1,131,697</p>
<p>F.C. Tseng</p>	<p>Ph.D. in Electrical Engineering, National Cheng Kung University Master Degree in Electrical Engineering, National Chiao Tung University Bachelor Degree in Electrical Engineering, National Cheng Kung University Honorary Ph.D., National Chiao Tung University Honorary Ph.D., National Tsing Hua University President, Vanguard International Semiconductor Corporation President, Taiwan Semiconductor Manufacturing Company Limited Deputy CEO, Taiwan Semiconductor Manufacturing Company Limited Vice Chairman, Taiwan Semiconductor Manufacturing Company Limited Independent Director, Chairman of Audit Committee & Compensation Committee member, Acer Inc. Director, National Culture and Arts Foundation, R.O.C.</p>	<p>Director, Taiwan Semiconductor Manufacturing Company Limited Chairman, TSMC China Company Ltd. Chairman, Global Unichip Corporation Vice Chairman, Vanguard International Semiconductor Corporation Chairman, TSMC Education and Culture Foundation Director, Cloud Gate Culture and Arts Foundation Director, Zu-Ming Medical Foundation</p>	<p>0</p>

eMemory Technology Inc.

List of 9th term of Independent Director Candidates

Name	Education & Major Experience	Current Positions	Shareholdings (shares)
T.C. Chen	<p>Ph.D. in Engineering and Applied Science, Yale University, U.S.A.</p> <p>Bachelor Degree in Physics, National Cheng Kung University</p> <p>Fellow Member, Institute of Electrical and Electronics Engineers (IEEE)</p>	<p>Independent Director, Remuneration Committee Member & Audit Committee Member, eMemory Technology Inc.</p> <p>Fellow, IBM</p> <p>Vice President Science & Technology, IBM</p>	0
Jack Sun	<p>Ph.D. & Master Degree in Electrical Engineering, University of Illinois, Urbana-Champaign, U.S.A.</p> <p>Bachelor Degree in Electrical Engineering, National Taiwan University</p> <p>Independent Director & Audit Committee Member, Acer Cyber Security Inc.</p> <p>Chief Technical Officer & Vice President of R&D, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Research Headquarters R&D Supervisor, IBM, U.S.A.</p>	<p>Dean, Industry Academia Innovation School, National Yang Ming Chiao Tung University</p> <p>Distinguished Chair Professor, National Taiwan University</p> <p>Director, National Applied Research Laboratories</p>	0
Danny Perng	<p>Master of Chemical Engineering and Computer Science, University of Nebraska, U.S.A.</p> <p>Master of Business Administration, Marylhurst University, U.S.A.</p> <p>Bachelor Degree in Chemical Engineering, National Tsing Hua University</p> <p>President of Asia Pacific Region, Mentor Graphics</p>	<p>Senior Vice President, PacRim Director, Siemens EDA</p>	0

eMemory Technology Inc.**Concurrent Positions for the 9th Director Candidates**

Title	Name	Concurrent Positions
Director	Charles Hsu	Chairman, iMQ Technology Inc. Chairman, PUFsecurity USA Corporation Chairman & President, PUFsecurity Corporation Director, SecuX Technology Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Acer Inc. Independent Director, Remuneration Committee Member & Audit Committee Member, Materials Analysis Technology Inc. Director, Powerchip Semiconductor Manufacturing Corporation
Director	Mu-Chuan Hsu	Director, iMQ Technology Inc.
Director	Michael Ho	Director, PUFsecurity Corporation Executive Director, eMemory Japan Corporation Director, PUFsecurity Technology (Shanghai) Corporation
Director	How-Han Investment Corporation	Director, iMQ Technology Inc. Director, SecuX Technology Inc.
Representative of Director	Felix Hsu	Chief Scientific Officer, PELL BIO-MED TECHNOLOGY CO., LTD.
Director	F.C. Tseng	Director, Taiwan Semiconductor Manufacturing Company Limited Chairman, TSMC China Company Ltd. Chairman, Global Unichip Corporation Vice Chairman, Vanguard International Semiconductor Corporation
Independent Director	T.C. Chen	Fellow, IBM Vice President Science & Technology, IBM
Independent Director	Danny Perng	Senior Vice President, PacRim Director, Siemens EDA

IV. Appendices

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

Section I General Provisions

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

Section II Capital Stock

- Article 7 The total capital stock of the Company shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at ten (10) New Taiwan Dollars each, within which the Board is authorized to issue shares in installments.
The Company may issue employee stock options from time to time by resolutions of the Board. A total of 8,000,000 shares among the above total capital stock should be reserved for the issuance of employee stock options.
- Article 7-1 With the approval of two-thirds or more of attending shareholders representing more than 50% of the total issued and outstanding shares at the Meeting, subscription price of employee warrants can be exempted from the restriction included in Article 53 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.” The issuance can be carried out in several batches within one year after the resolution is adopted at the Meeting.
- Article 7-2 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.
- Article 8 The shares of the Company shall be registered shares; the Company may be exempted from printing any share certificate for the shares issued, however, the Company shall register the issued shares with a centralized securities depository enterprise and follow the regulations of the enterprise.
- Article 9 The Company shall attend to affairs pertinent to its shares in accordance with relevant laws and regulations.
- Article 10 The Company may issue new shares in accordance with relevant rules and regulations.

Section III Meetings of Shareholders

- Article 11 Shareholders’ Meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with relevant laws, rules, and regulations.
The Shareholders’ Meetings of the Company can be held by means of visual communication network or other methods promulgated by the central

competent authority.

Each shareholder holding 1% or more of the total issued and outstanding stock of the Company may submit a proposal to request the Board to include such proposal as an agenda of a regular shareholders' meeting, provided that only one proposal may be submitted by the same shareholder and that if more than one proposals are submitted, none shall be included in the agenda. Each proposal shall not exceed 300 words in length; otherwise, it shall be excluded from the agenda.

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

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

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

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

Section IV Directors and Management of the Company

Article 16 The Company shall have nine (9) to eleven (11) directors to serve a term of three years. A director may be re-elected. At least three (3) directors shall be independent directors. The compensation for the Chairman and Directors shall be determined by the Board and shall be based on each director's participation and contribution to the Company's operation and shall take global industry standards into account. The percentage of shares held by the directors shall be governed by the competent authority.

The Company's directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

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

Article 16-1 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be held accountable for responsibilities specified under the Company Act, the Securities and Exchange Act and other regulations.

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

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

Article 19 Unless otherwise specified by law, the Board meetings shall be convened by the Chairman. The director with the majority of the votes shall convene the first meeting in each new term of the Board.

Directors shall attend all Board meetings in person. If the meeting is conducted through video conferencing, any director attending the meeting via video conference shall be deemed present at the meeting in person.

A director may, by written authorization, appoint another director to attend on his or her behalf any meeting of the Board, and to vote for him or her on all matters presented at the meeting, but no director may act as proxy for more than one director.

Meetings of the Board shall be convened upon written notice mailed, electronic transmission, or fax to all directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and the agenda. The meeting of the Board shall be held at least once every quarter, or at any time.

Article 20 Each director shall, for every resolution for which a vote is required, entitled to one (1) vote. Unless otherwise specified in the Company Act or the

Articles of Incorporation, the resolutions of the Board shall be adopted by a majority vote of those Directors present at a meeting attended by a majority of all Directors. The resolutions of every Board Meeting shall be recorded in the meeting minutes.

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

Article 22 The Company may, by resolution of the Board, appoint one Chief Executive Officer and one or more Vice President(s) or such officer(s) to meet the Company's operational or managerial needs. The appointment, dismissal, and remuneration packages for the officers are determined in accordance with Article 29 of the Company Act.

Section V Financial Reports

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

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

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

Article 25 If there is any pre-tax profit, 1% to 25% of the profit shall be distributed to eligible employees in the form of cash or stock for profit sharing. No more than 2% of the profit shall be distributed to directors for compensation. The Board shall prepare separate distribution proposals for employees and directors and present both at the Meeting for approval. If there is accumulated losses, the pre-tax profit should offset the accumulated losses and the remainder shall be distributed to employees and directors using the aforementioned thresholds.

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

1. Reserve for tax payments.
2. Offset accumulated losses, if any.
3. Legal reserve, which is 10% of remaining net profits after deducting the aforementioned items. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.

4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and retained earnings from previous years will be allocated as shareholders' dividend. The Board will prepare a distribution proposal and submit it to the Meeting for review and approval by a resolution.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment and capital needs, and capital budgeting plans. The proposal should strike a balance between the shareholders' benefits and the Company's long-term financial plans. Dividends to shareholders shall not be less than 50% of the remaining retained earnings available for distribution and may be distributed in cash or in stock. Cash dividends shall not be lower than 10% of total dividends to shareholders. Each year the Board shall prepare a profit distribution proposal and present it at the Meeting for approval.

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 included directly in the unappropriated earnings for current period.

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

Section VI Supplementary Provisions

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

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

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

Article 29 These Articles of Incorporation were enacted on August 8, 2000.
The first amendment was made on June 15, 2001.
The second amendment was made on June 5, 2002.
The third amendment was made on May 7, 2003.

The fourth amendment was made on May 18, 2004.
The fifth amendment was made on May 18, 2006.
The sixth amendment was made on May 16, 2007.
The seventh amendment was made on May 15, 2008.
The eighth amendment was made on May 26, 2009.
The ninth amendment was made on May 18, 2010.
The tenth amendment was made on June 10, 2011.
The eleventh amendment was made on June 19, 2012.
The twelfth amendment was made on June 18, 2014.
The thirteenth amendment was made on June 9, 2015.
The fourteenth amendment was made on June 14, 2016.
The fifteenth amendment was made on June 13, 2017.
The sixteenth amendment was made on June 15, 2022.

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

Adopted by the Shareholders’ Meeting on June 9, 2023

Article 1 Scope of the Rules

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

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

Article 3 The Convention and Meeting Notice of Shareholders’ Meeting

1. The Shareholders’ Meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, the convening of a Company Shareholders’ Meeting with video conferencing shall be as stated in the Company’s Articles of Incorporation, and must be resolved upon by the Board of Directors; said resolution shall require a majority of the directors present at the Board of Directors meeting, with at least two-thirds of the total directors present. Changes to how the Company convenes its Shareholders’ Meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the Shareholders’ Meeting notice.
2. The Company shall prepare electronic versions of the Shareholders’ Meeting notice and proxy forms, and the origins, as well as explanatory materials, relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular Shareholders’ Meeting or 15 days before the date of a special Shareholders’ Meeting. The Company shall prepare electronic versions of the Shareholders’ Meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular Shareholders’ Meeting or 15 days before the date of the special Shareholders’ Meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the Shareholders’ Meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular Shareholders’ Meeting. In addition, 15 days before the date of the Shareholders’

Meeting, the Company shall also have prepared the Shareholders' Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the Shareholders' Meeting:

- (1) For physical Shareholders' Meetings, to be distributed on-site at the meeting.
 - (2) For hybrid Shareholders' Meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 - (3) For virtual-only Shareholders' Meetings, electronic files shall be shared on the virtual meeting platform.
3. The reasons for convening a Shareholders' Meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
 4. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, using earnings to increase capitalization, using reserve to increase capitalization, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out in the notice of the reasons for convening the Shareholders' Meeting, as well as the essential contents shall be explained. None of the above matters may be raised by an extemporary motion.
 5. Where the matter of that all directors of the Company will be re-elected has been set out in the causes of a meeting of shareholders to be convened, and the date for the elected directors to assume their office is also indicated in, after the re-election is completed in such a shareholders' meeting, the date for the elected directors to assume their office shall not be altered by bring up as extemporary motions or by other means.
 6. A shareholder holding 1 % or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular Shareholders' Meeting. Such proposal is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when any one of the circumstances set forth in each subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may propose to the Company proposals urging the Company to promote public interests or fulfill its social responsibilities provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda according to Article 172-1 of the Company Act.

7. Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, methods of acceptance in writing or by way of electronic transmission and the location and time period for their submission; the period for submission of shareholder proposals shall not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular Shareholders' Meeting and take part in discussion of the proposal.
8. Prior to the date for issuance of notice of a Shareholders' Meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Delegation of Attendance at Shareholders' Meeting and Authorization

1. For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given Shareholders' Meeting, and shall deliver the proxy form to the Company before 5 days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
4. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the Shareholders' Meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

1. The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
2. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only Shareholders' Meeting.

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

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

Article 6-1 Convening Virtual Shareholders Meetings and Particulars to Be Included in Shareholders' Meeting Notice

To convene a virtual Shareholders' Meeting, the Company shall include the follow particulars in the Shareholders' Meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

- (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual Shareholders' Meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting online, meets the minimum legal requirement for a Shareholders' Meeting, then the Shareholders' Meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that Shareholders' Meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online shall be specified. Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, Article 44-9, paragraph 6, the Company shall at least provide shareholders with the connectivity equipment and required assistance and specify the period that a shareholder may make an application to the Company and other relevant guidelines.

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

1. If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.
2. When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that Shareholders' Meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a Shareholders' Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.

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

1. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
3. Where a Shareholders' Meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
4. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
5. In case of a virtual Shareholders' Meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Calculation of Attending Share Number and Calling a Meeting

1. Attendance at Shareholders' Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time and announce the numbers of non-voting rights and total shares represented by the shareholders present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual Shareholders' Meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within 1 month. In the event of a virtual Shareholders' Meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

Article 10 Discussion of Proposals

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

Article 11 Shareholder Speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
7. Where a virtual Shareholders' Meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.
8. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Calculation of Voting Shares and Recusal System

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

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

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2, Article 179 of the Company Act.
2. When the Company holds a shareholders' meeting, it shall make the shareholders to exercise voting rights by electronic means and may make it by correspondence means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A

shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.
4. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
5. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
6. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for Shareholders' Meeting proposals or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
7. When the Company convenes a virtual Shareholders' Meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
8. In the event of a virtual Shareholders' Meeting, votes shall be counted at once after

the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

9. When the Company convenes a hybrid Shareholders' Meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical Shareholders' Meeting in person, they shall revoke their registration two days before the Shareholders' Meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the Shareholders' Meeting online.
10. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the Shareholders' Meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 Election of Directors

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

Article 15 Meeting Minutes

1. Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes and dealt with pursuant to Article 183 of the Company Act.
2. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and the results of voting (including the statistical weights of the numbers of votes). In the event of Director election, the number of the votes to each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.
3. Where a virtual Shareholders' Meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders' Meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
4. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only Shareholders' Meeting online.

Article 16 Public Disclosure

1. On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the Shareholders' Meeting. In the event a virtual Shareholders' Meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
2. During the Company's virtual Shareholders' Meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under GreTai Securities Market regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Maintaining Order at the Meeting Place

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

Article 18 Recess and Resumption of a Shareholders' Meeting

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the

Shareholders' Meeting may adopt a resolution to resume the meeting at another venue.

3. A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 Disclosure of Information at Virtual Meetings

In the event of a virtual Shareholders' Meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 Location of the Chair and Secretary of Virtual-only Shareholders' Meeting

When the Company convenes a virtual-only Shareholders' Meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 Handling of Disconnection

1. In the event of a virtual Shareholders' Meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
2. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected Shareholders' Meeting online shall not attend the postponed or resumed session.
3. For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected Shareholders' Meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected Shareholders' Meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
4. During a postponed or resumed session of a Shareholders' Meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
5. When the Company convenes a hybrid Shareholders' Meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting online, still meets the minimum legal

requirement for a shareholder meeting, then the Shareholders' Meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

6. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that Shareholders' Meeting.
7. When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
8. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the Shareholders' Meeting that is postponed or resumed under the first paragraph.

Article 22 Handling of Digital Divide

When convening a virtual-only Shareholders' Meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online. Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, Article 44-9, paragraph 6, the Company shall at least provide shareholders with the connectivity equipment and required assistance and specify the period that a shareholder may make an application to the Company and other relevant guidelines.

Article 23 Anything not provided herein shall be governed by the related statutes and regulations.

Article 24 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Article 25 These Rules were adopted by the Shareholders' Meeting on June 14, 2001. The first amendment was made on September 29, 2009. The second amendment was made on June 19, 2012. The third amendment was made on June 18, 2014. The fourth amendment was made on June 9, 2015. The fifth amendment was made on June 10, 2020. The sixth amendment was made on July 15, 2021. The seventh amendment was made on June 9, 2023.

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

Adopted by the Shareholders’ Meeting on July 15, 2021

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

Article 7 A ballot is invalid under any of the following circumstances:

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

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

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

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

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

Article 12 These Rules were adopted by the Shareholders' Meeting on May 7, 2003. The first amendment was made on May 15, 2008. The second amendment was made on June 9, 2015. The third amendment was made on June 13, 2017. The fourth amendment was made on July 15, 2021.

Shareholdings of All Directors

1. The paid-in capital of the Company is NT\$ 746,562,420, the number of total issued shares is 74,656,242.
2. According to Article 26 of the Securities and Exchange Act, the minimum required combined shareholding of all Directors shall be 5,972,499 shares.
3. Up to the date on which share transfer registration is suspended before the convention of this shareholders' meeting, the status of shareholdings of individual and all Directors registered on the shareholders roster is set forth below:

April 21, 2024

Title	Name	Holding Shares	Shareholding Ratio
Chairman	Charles Hsu	1,429,407	1.91%
Director	Li-Jeng Chen	2,338,000	3.13%
Director	Mu-Chuan Hsu	1,273,179	1.71%
Director	Michael Ho	44,250	0.06%
Director	How-Han Investment Corporation Representative: Felix Hsu	1,131,697	1.52%
Director	How-Han Investment Corporation Representative: Chris Lu		
Independent Director	Kenneth Kin	0	0
Independent Director	Ming-To Yu	0	0
Independent Director	T.C. Chen	0	0

The number of shares held by the all Directors is 6,216,533, which is by the ratio of 8.33% to the total issued shares.

< Appendix 5 >

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

No proposal was submitted by the shareholders during the period (April 1, 2024 to April 10, 2024) for accepting shareholders' proposal.

< Appendix 6 >

Information Related to Employees' Compensation and Directors' Remuneration:

The employees' compensation and Directors' remuneration of 2023 had been resolved by the Board of Directors on February 21, 2024, the distribution of mentioned compensation and remuneration is set forth below:

1. The distribution of employees' compensation is in an amount of NT\$ 302,976,635.
2. The distribution of Directors' remuneration is in an amount of NT\$ 30,297,663.
3. There is no difference between the distributed amounts mentioned above and the assessed amounts of employees' compensation in NT\$ 302,976,635 and Directors' remuneration in NT\$ 30,297,663.

The reason for difference: None.

The disposal of the difference: Not applicable.

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