



eMemory Technology Inc.

Minutes of 2024 General Shareholders' Meeting

(Translation)

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)

Total outstanding eMemory shares : 74,656,242 shares

Total shares represented by shareholders present in person or by proxy : 63,698,472 shares

Percentage of shares held by shareholders present in person or by proxy : 85.32%

Directors present : Charles Hsu, Ming-To Yu, Kenneth Kin, Danny Perng, Mu-Chuan Hsu, Michael Ho, Chris Lu

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

Recorder : Catherine Chen

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

2. Chairman's Address : (Omitted)

3. Reported Matters

(1) Report on the Business of 2023 (Attachment 1, pages 7 to 8)

(2) Audit Committee's Review Report for 2023 (Attachment 2, page 9)

(3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2023.

Explanatory Notes:

i. 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.

ii. 15% is set aside as the employees' compensation, which is in a total amount of NT\$ 302,976,635.

iii. 1.5% is set aside as the Directors' remuneration, which is in a total amount of NT\$ 30,297,663.

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

Resolution : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.
Shares present at the time of voting: 63,698,472 (votes casted electronically: 58,585,066 votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
63,463,165 (58,349,760)	99.63	18,581 (18,581)	0.03	0 (0)	0	216,726 (216,725)	0.34

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 28).

Resolution : RESOLVED, that the above proposal be and hereby was acknowledged as proposed.
 Shares present at the time of voting: 63,698,472 (votes casted electronically: 58,585,066 votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
63,498,979 (58,385,574)	99.68	5,815 (5,815)	0.01	0 (0)	0	193,678 (193,677)	0.31

5. Election Item

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 29 to 32).

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 :

Title	Shareholder account number or ID card number	Name	Elected Votes
Director	3	Charles Hsu	73,241,916
Director	18728	Li-Jeng Chen	40,303,802
Director	110	Mu-Chuan Hsu	36,709,322
Director	147	Michael Ho	59,359,443
Director	532	How-Han Investment Corporation Representative: Felix Hsu	32,449,369
Director	532	How-Han Investment Corporation Representative: Chris Lu	33,002,424
Director	S1001*****	F.C. Tseng	60,001,651
Independent Director	T1016*****	T.C. Chen	69,525,553
Independent Director	J8000*****	Jack Sun	72,444,817
Independent Director	L1008*****	Danny Perng	72,265,841

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 33) 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 : RESOLVED, that the above proposal be and hereby was approved as proposed.
Shares present at the time of voting: 63,698,472 (votes casted electronically: 58,585,066 votes)

Votes in favor (electronic votes)		Votes against (electronic votes)		Invalid Votes (electronic votes)		Votes abstained / Not Voted (electronic votes)	
votes	%	votes	%	votes	%	votes	%
54,586,264 (49,472,859)	85.69	4,757,176 (4,757,176)	7.47	0 (0)	0	4,355,032 (4,355,031)	6.84

7. Extemporary Motions

Speech raised by shareholder account number 45709 :

In the recent board of directors election, the candidates are primarily professionals in the industry with extensive academic and professional backgrounds. Additionally, the board is not composed of a single gender. These are aspects that we view positively.

However, we would like to remind the company that, although we have observed efforts to enhance the board's independence, the percentage of independent directors remains slightly below one-third. We hope the company will address this situation in the future to prevent any misunderstandings regarding the board's independence, even though the company is performing well in this aspect.

The management's response :

Thank you very much for this shareholder's advice.

8. Adjournment : 9:36 AM (on Wednesday) June 19, 2024

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

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 BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 4, 6 and 27)	\$ 2,731,524	73	\$ 3,066,268	79	Short-term loans (Note 16)	\$ 30,000	1	\$ -	-
Accounts receivable - net (Notes 4, 9, 21 and 27)	194,960	5	239,381	6	Contract liabilities - current (Note 21)	77,268	2	67,508	2
Accounts receivable - related parties (Notes 4, 21, 27 and 28)	-	-	3,071	-	Other payables (Notes 17 and 27)	174,743	5	181,897	5
Other receivables (Notes 4 and 27)	2,965	-	1,018	-	Other payables - related parties (Notes 27 and 28)	-	-	10	-
Prepayments (Note 15)	20,170	1	20,014	1	Bonuses payable to employees and directors (Note 22)	349,031	9	384,981	10
Other current assets (Notes 4, 15 and 27)	4,974	-	4,157	-	Payables on equipment (Note 27)	9,220	-	7,478	-
Total current assets	<u>2,954,593</u>	<u>79</u>	<u>3,333,909</u>	<u>86</u>	Current tax liabilities (Notes 4 and 23)	44,486	1	139,676	3
					Lease liabilities - current (Notes 4, 13 and 27)	2,358	-	3,299	-
NON-CURRENT ASSETS					Other current liabilities (Note 17)	2,479	-	1,979	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 27)	5,369	-	4,914	-	Total current liabilities	<u>689,585</u>	<u>18</u>	<u>786,828</u>	<u>20</u>
Financial assets at amortized cost - noncurrent (Notes 4, 8, 27 and 29)	118	-	116	-	NON-CURRENT LIABILITIES				
Investment accounted for using the equity method (Notes 4 and 11)	12,063	-	15,185	-	Lease liabilities - noncurrent (Notes 4, 13 and 27)	1,314	-	2,237	-
Property, plant and equipment (Notes 4, 12, 30 and 33)	473,470	13	460,797	12	Net defined benefit liabilities - noncurrent (Notes 4 and 18)	13,010	1	15,712	1
Right-of-use assets (Notes 4, 13 and 33)	3,607	-	5,438	-	Guarantee deposits received	10	-	10	-
Intangible assets (Notes 4 and 14)	79,299	2	74,187	2	Total non-current liabilities	<u>14,334</u>	<u>1</u>	<u>17,959</u>	<u>1</u>
Deferred tax assets (Notes 4 and 23)	3,770	-	2,743	-	Total liabilities	<u>703,919</u>	<u>19</u>	<u>804,787</u>	<u>21</u>
Prepayments for equipment (Notes 15 and 30)	224,714	6	-	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 19 and 20)				
Refundable deposits	694	-	822	-	Ordinary shares	746,423	20	761,845	19
Total non-current assets	<u>803,104</u>	<u>21</u>	<u>564,202</u>	<u>14</u>	Capital surplus	114,313	3	210,522	5
					Retained earnings				
					Legal reserve	761,844	20	635,956	16
					Special reserve	4,980	-	30,985	1
					Unappropriated earnings	1,400,884	37	1,830,114	47
					Total retained earnings	<u>2,167,708</u>	<u>57</u>	<u>2,497,055</u>	<u>64</u>
					Other equity				
					Exchange differences on the translation of the financial statements of foreign operations	61	-	706	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(5,231)	-	(5,686)	-
					Total other equity	<u>(5,170)</u>	<u>-</u>	<u>(4,980)</u>	<u>-</u>
					Treasury shares	-	-	(404,238)	(10)
					Total equity attributable to shareholders of the Company	3,023,274	80	3,060,204	78
					NON-CONTROLLING INTERESTS (Notes 4 and 19)	<u>30,504</u>	<u>1</u>	<u>33,120</u>	<u>1</u>
					Total equity	<u>3,053,778</u>	<u>81</u>	<u>3,093,324</u>	<u>79</u>
TOTAL	<u>\$ 3,757,697</u>	<u>100</u>	<u>\$ 3,898,111</u>	<u>100</u>	TOTAL	<u>\$ 3,757,697</u>	<u>100</u>	<u>\$ 3,898,111</u>	<u>100</u>

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

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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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)

EMEMORY 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							Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	Retained Earnings				Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE, JANUARY 1, 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	\$ 47,415	\$ 2,522,791
Appropriation of 2021 earnings													
Legal reserve	-	-	-	109,686	-	(109,686)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(29,116)	29,116	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(931,990)	(931,990)	-	-	-	(931,990)	-	(931,990)
Changes in percentage of ownership interests in subsidiaries	-	-	(13,814)	-	-	-	-	-	-	-	(13,814)	13,814	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	14,182	-	-	-	-	-	-	-	14,182	-	14,182
Issuance of cash dividends from capital surplus	-	-	(111,839)	-	-	-	-	-	-	-	(111,839)	-	(111,839)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	1,611,909	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)	-	(3,042)	69	(2,973)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,614,611	1,614,611	818	(6,562)	-	1,608,867	(7,699)	1,601,168
Issuance of ordinary shares under employee share options	61	610	18,812	-	-	-	-	-	-	-	19,422	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)	3,060,204	33,120	3,093,324
Appropriation of 2022 earnings													
Legal reserve	-	-	-	125,888	-	(125,888)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(26,005)	26,005	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,417,769)	(1,417,769)	-	-	-	(1,417,769)	-	(1,417,769)
Changes in percentage of ownership interests in subsidiaries	-	-	8,365	-	-	-	-	-	-	-	8,365	(8,365)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	186	-	-	-	-	-	-	-	186	-	186
Issuance of cash dividends from capital surplus	-	-	(111,929)	-	-	-	-	-	-	-	(111,929)	-	(111,929)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	1,474,443	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	(645)	455	-	1,893	(9)	1,884
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,476,526	1,476,526	(645)	455	-	1,476,336	(11,795)	1,464,541
Issuance of ordinary shares under employee share options	25	248	7,633	-	-	-	-	-	-	-	7,881	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	\$ 4,980	\$ 1,400,884	\$ 2,167,708	\$ 61	\$ (5,231)	\$ -	\$ 3,023,274	\$ 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)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 4, 6 and 25)	\$ 2,594,104	71	\$ 2,935,574	76	Contract liabilities - current (Notes 19 and 26)	\$ 79,194	2	\$ 67,777	2
Accounts receivable - net (Notes 4, 9, 19 and 25)	179,770	5	209,101	5	Other payables (Notes 15 and 25)	160,780	5	169,837	4
Accounts receivable - related parties (Notes 4, 19, 25 and 26)	-	-	3,071	-	Other payables - related parties (Notes 15, 25 and 26)	1,685	-	10	-
Other receivables (Notes 4 and 25)	2,795	-	986	-	Bonuses payable to employees and directors (Note 20)	349,031	10	384,981	10
Other receivables - related parties (Notes 4, 25 and 26)	7,512	-	21,895	1	Payables on equipment (Note 25)	9,220	-	6,735	-
Prepayments (Note 14)	13,803	-	17,862	1	Current tax liabilities (Notes 4 and 21)	44,435	1	139,676	4
Other current assets (Notes 4, 14 and 25)	4,880	-	4,157	-	Lease liabilities - current (Notes 4, 12 and 25)	1,690	-	3,299	-
					Other current liabilities (Note 15)	2,252	-	1,582	-
Total current assets	<u>2,802,864</u>	<u>76</u>	<u>3,192,646</u>	<u>83</u>	Total current liabilities	<u>648,287</u>	<u>18</u>	<u>773,897</u>	<u>20</u>
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 25)	5,369	-	4,914	-	Lease liabilities - noncurrent (Notes 4, 12 and 25)	547	-	2,237	-
Financial assets at amortized cost - noncurrent (Notes 4, 8, 25 and 27)	118	-	116	-	Net defined benefit liabilities - noncurrent (Notes 4 and 16)	13,010	-	15,712	1
Investment accounted for using the equity method (Notes 4 and 10)	107,719	3	120,790	3	Guarantee deposits received	10	-	10	-
Property, plant and equipment (Notes 4 and 11)	469,013	13	458,760	12	Total non-current liabilities	<u>13,567</u>	<u>-</u>	<u>17,959</u>	<u>1</u>
Right-of-use assets (Notes 4 and 12)	2,182	-	5,438	-	Total liabilities	<u>661,854</u>	<u>18</u>	<u>791,856</u>	<u>21</u>
Intangible assets (Notes 4 and 13)	68,939	2	66,254	2	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 17 and 18)				
Deferred tax assets (Notes 4 and 21)	3,770	-	2,743	-	Ordinary shares	<u>746,423</u>	<u>20</u>	<u>761,845</u>	<u>20</u>
Prepayments for equipment (Notes 14 and 28)	224,714	6	-	-	Capital surplus	<u>114,313</u>	<u>3</u>	<u>210,522</u>	<u>5</u>
Refundable deposits	440	-	399	-	Retained earnings				
Total non-current assets	<u>882,264</u>	<u>24</u>	<u>659,414</u>	<u>17</u>	Legal reserve	761,844	21	635,956	16
					Special reserve	4,980	-	30,985	1
					Unappropriated earnings	<u>1,400,884</u>	<u>38</u>	<u>1,830,114</u>	<u>48</u>
					Total retained earnings	<u>2,167,708</u>	<u>59</u>	<u>2,497,055</u>	<u>65</u>
					Other equity				
					Exchange differences on the translation of the financial statements of foreign operations	61	-	706	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	<u>(5,231)</u>	<u>-</u>	<u>(5,686)</u>	<u>-</u>
					Total other equity	<u>(5,170)</u>	<u>-</u>	<u>(4,980)</u>	<u>-</u>
					Treasury shares	-	-	(404,238)	(11)
					Total equity	<u>3,023,274</u>	<u>82</u>	<u>3,060,204</u>	<u>79</u>
TOTAL	<u>\$ 3,685,128</u>	<u>100</u>	<u>\$ 3,852,060</u>	<u>100</u>	TOTAL	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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)

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 22)				
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 parent company only financial statements.

(Concluded)

EEMORY 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	Retained Earnings				Other Equity		Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
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											
Legal reserve	-	-	-	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 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)	-	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											
Legal reserve	-	-	-	125,888	-	(125,888)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(26,005)	26,005	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,417,769)	(1,417,769)	-	-	-	(1,417,769)
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)
How-Han Investment Corporation Representative : Chris Lu	<p>Master Degree in Photonics and Optoelectronics, National Taiwan University</p> <p>R&D Engineer, Philips Electronics Ltd.</p> <p>Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited.</p>	Director & Vice President, eMemory Technology Inc.	1,131,697
F.C. Tseng	<p>Ph.D. in Electrical Engineering, National Cheng Kung University</p> <p>Master Degree in Electrical Engineering, National Chiao Tung University</p> <p>Bachelor Degree in Electrical Engineering, National Cheng Kung University</p> <p>Honorary Ph.D., National Chiao Tung University</p> <p>Honorary Ph.D., National Tsing Hua University</p> <p>President, Vanguard International Semiconductor Corporation</p> <p>President, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Deputy CEO, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Vice Chairman, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Independent Director, Chairman of Audit Committee & Compensation Committee member, Acer Inc.</p> <p>Director, National Culture and Arts Foundation, R.O.C.</p>	<p>Director, Taiwan Semiconductor Manufacturing Company Limited</p> <p>Chairman, TSMC China Company Ltd.</p> <p>Chairman, Global Unichip Corporation</p> <p>Vice Chairman, Vanguard International Semiconductor Corporation</p> <p>Chairman, TSMC Education and Culture Foundation</p> <p>Director, Cloud Gate Culture and Arts Foundation</p> <p>Director, Zu-Ming Medical Foundation</p>	0

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