

# **AP Memory Technology Corp.**

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

(This English version is a translation of the Chinese Version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.)

Time: 9:00 AM (on Friday), May 27, 2022

Place: 3F, No.265, Dong Sec. 1, Guangming 6th Rd., Zhubei City, Hsinchu County 302, Taiwan  
(Sheraton Hsinchu Hotel)

Total outstanding shares: Issued 161,935,246 shares - Treasury stock 516,000 shares  
= 161,419,246 shares

Total shares represented by shareholders present in person or by proxy: 90,808,652 shares.

Percentage of shares held by shareholders present in person or by proxy: 56.25%.

Directors present: Chen, Wen-Liang ; Hung, Chih-Hsun ; Hsieh, Ming-Lin ; Yeh, Jui-Pin ;  
Wang, Hsuan

Chairman: Dr. Chen, Wen-Liang, the Chairman of the Board of Directors

Recorder: Hong, Shu-Ling

1. Commencement of the Meeting: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
2. Chairman's Address: (Omitted)
3. Report Items
  - Item 1: Reported the business of 2021 (Attachement 1)
  - Item 2: The 2021 Audit Committee's Review report (Attachement 3)
  - Item 3: Reported 2021 employees' profit sharing bonus and directors' compensation

Explanatory Notes:

  - A. The Board of Directors approved 2021 employees' profit sharing bonus and directors' compensation on February 25, 2022. The employees' profit sharing bonus and directors' compensation are to be distributed in cash.
  - B. 2021 employees' total profit sharing bonus is NT\$74,262,104, and directors' compensation is NT\$8,000,000.

Item 4: Reported 2021 earnings distribution

2021 earnings distribution adopted at the meeting of the Board of Directors is as follows:

- A. Earnings Available for Distribution as of December 31, 2021: NT\$2,428,979,442.
- B. Cash dividends to common shareholders: totalling NT\$ 968,275,476. Each common shareholder will be entitled to receive a cash dividend of NT\$6.0 per share.
- C. The Board Chairman is delegated to decide any matters in terms of the change of record date and payout ratio.

4. Proposed Resolutions

Item 1: To accept the 2021 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanatory Notes:

- A. 2021 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Chien, Ming-Yen and Mr. Chiu, Cheng-Chun of Deloitte & Touche.
- B. 2021 Business Report, the aforementioned Financial Statements and Audit Committee's Review Report hereto as Attachments 1, 2, and 3.

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 90,808,652.

Result	(%)
Votes in favor : 87,283,315 (electronic votes : 19,686,337)	96.11%
Votes against : 90,063 (electronic votes : 90,063)	0.10%
Invalid Votes : 3,435,274 (electronic votes : 3,359,010)	3.79%

Item 2: To accept the proposal for distribution of 2021 profit distribution table

(Proposed by the Board of Directors)

Explanatory Notes:

Description	Amount(NTD)	Remarks
Unappropriated retained earnings of previous years	606,068,162	
Add:Net Income of 2021	2,025,456,978	
Less: Legal Serve	( 202,545,698 )	
Earnings available for distribution	2,428,979,442	
Distribution items:		
Cash Dividend to common shareholders	( 968,275,476 )	NT\$6.0 / per share
Unappropriated retained earnings	<u>1,460,703,966</u>	

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 90,808,652.

Result	(%)
Votes in favor : 87,293,651 (electronic votes : 19,696,673)	96.12%
Votes against : 94,508 (electronic votes : 94,508)	0.11%
Invalid Votes : 3,420,493 (electronic votes : 3,344,229)	3.77%

## 5. Discussions

### Item 1: Amendment of the “Articles of Incorporation”

(Proposed by the Board of Directors)

Explanatory Notes: In order to operation flexibility, it is proposed to make amendment on the Company’s “Articles of Incorporation”. Please refer to the comparison table for the Articles of Incorporation before and after revision (Attachment 4)

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Shares represented at the time of voting: : 90,808,652.

Result	(%)
Votes in favor : 86,735,930 (electronic votes : 19,138,952)	95.51%
Votes against : 548,747 (electronic votes : 548,747)	0.61%
Invalid Votes : 3,523,975 (electronic votes : 3,447,711)	3.88%

### Item 2: Amendment of the “Procedures for Acquisition or Disposal of Assets”.

(Proposed by the Board of Directors)

Explanatory Notes: For the regulation compliance, it is proposed to amend the Company’s “Procedures for Acquisition or Disposal of Assets ”. The comparison table for before and after revision is attached hereto as Attachment 5.

Resolution : RESOLVED, that the above proposal be and hereby was approved as proposed.

Shares represented at the time of voting: : 90,808,652

Result	(%)
Votes in favor : 87,188,224 (electronic votes : 19,591,246)	96.01%
Votes against : 108,368 (electronic votes : 108,368)	0.12%
Invalid Votes : 3,512,060 (electronic votes : 3,435,796)	3.87%

### Item 3: Amendment of the “Rules Governing the Procedures for Shareholders Meetings”

(Proposed by the Board of Directors)

Explanatory Notes: For the regulation compliance, it is proposed to amend the Company’s “Rules Governing the Procedures for Shareholders Meetings ”. The comparison table for before and after revision is attached hereto as Attachment 6.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Shares represented at the time of voting: 90,808,652.

Result	(%)
Votes in favor : 86,741,146 (electronic votes : 19,144,168)	95.52%
Votes against : 544,692 (electronic votes : 544,692)	0.60%
Invalid Votes : 3,522,814 (electronic votes : 3,446,550)	3.88%

6. Director Election

To elect one Independent Director to fill the vacancy.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. The former Independent Director Chen, Tze-Chiang resigned on December 27, 2021. And a by-election of independent director as prescribed in the Company's Articles of Incorporation will take place.
- B. The Board of Directors approved to elect one new independent director to fill such vacancy at the 2022 Annual Meeting of Shareholders. The term of office of the independent director to be elected shall expire on the same date as the term of the existing directors (from May 27, 2022 to June 14, 2023).
- C. The independent director shall be elected by adopting the candidates nomination system as specified in Article 192-1 of the R.O.C. Company Law. The independent director shall be elected from the nominated candidate, whose education and professional qualifications, experience and relevant information are attached hereto as Attachment 7.

Voting Result :

Title	Shareholder account number or ID card number	Name	Elected Votes
Independent Director	A2031xxxxx	Sun, Elizabeth	86,891,474

7. Extemporary Motions: None

8. Adjournment

# **Attachment**

## Attachment 1. Business Report

AP Memory had a record year in 2021. On consolidated basis, AP Memory earned NT\$2,025 million (NT\$13.67 per share) in net income in 2021. Compared to 2020 net income of NT\$821 million (NT\$5.50 per share, adjusted for stock split), the company's net income increased by 147%. Excluding one-time gain in 2020, net income increased by more than 300%. Revenue increased from NT\$3.6 billion to NT\$6.6 billion, by 86%, in the same period.

In 2021, not only has our revenue expanded to a record level, our gross margin rate has also stabilized in the 40-50% target range, and net margin rate reached above 30%.

	2021 (A)	2020(B)	Unit : In Thousands of New Taiwan Dollars	
			$\Delta$ AMT(C=A-B)	$\Delta$ %(C/B)
Revenue	6,617,215	3,549,497	3,067,718	86%
Gross Profit Margin (%)	46%	29%	17%	59%
Operating Expenses Rate (%)	10%	14%	( 4% )	( 29% )
Operating Income	2,370,157	519,746	1,850,411	356%
Non-Operating P/L	144,109	420,609	( 276,500 )	( 66% )
Net Income before Tax	2,514,266	940,355	1,573,911	167%
Income from Continuing Operation	2,025,457	815,370	1,210,087	148%
Income from Discontinued Operation	-	5,613	( 5,613 )	( 100% )
Net Income	2,025,457	820,983	1,204,474	147%
Net income(%)	31%	23%	8%	35%

Balance sheet also strengthened. Liquidity ratios are very healthy. Inventory level is consistent with our revenue run rate and current operating environment. We have no long-term debt.

	2021(D)	2020(E)	Unit : In Thousands of New Taiwan Dollars	
			$\Delta$ AMT(F=D-E)	$\Delta$ %(F/E)
Cash and cash equivalents	2,517,447	662,967	1,854,480	280%
Financial assets at FVTPL - current	-	930,536	( 930,536 )	( 100% )
Inventories	1,696,621	625,055	1,071,566	171%
Current assets	5,124,533	3,310,027	1,814,506	55%
Total assets	6,278,643	3,983,400	2,295,243	58%
Total liabilities	1,483,688	880,430	603,258	69%
Total equity	4,794,955	3,102,970	1,691,985	55%

### ■ Rapid Revenue Growth in IoT Business Unit

Our IoT Business Unit, under the leadership of Vice President Hung, Chih-Hsun, saw another year of rapid growth, nearly doubling its revenue on YoY basis, while maintaining a stable and improving gross margin.

Our IoTRAM is a family of non-JEDEC standard products, customized for optimal performance for target applications. Our customers must design in our memory interface in order to use our products. Conversely, customers cannot easily replace our products with competitors' products without significant effort. Therefore customer design-in is a good leading indicator of our mid-term IoTRAM business growth. In 2019/2020, we saw an explosive growth in number of customer design-ins, which resulted in record revenue in 2021. In 2021, the pace of customer design-ins continues to be strong.

Our IoTRAM has become the standard bearer for cost-effective, low-pin-count, low-power IoT memory. We continue to push the limits of our products to enable more and better IoT products for our customers.

As our IoTRAM gains market presence, we also attracted the attention of some potential competitors. However we are confident that we will continue to out run our competitors, and continue to grow IoT Business Unit.

Besides IoTRAM, our IoT Business Unit has incubated a new business in silicon capacitors, also often referred to as IPD (Integrated Passive Devices). I will discuss more about this later.

## ■ Successful Production of VHM™ Technology in AI Business Unit

Our AI Business Unit, under the leadership of Vice President Liu, Chin-Hong, made a major breakthrough in wafer-on-wafer 3DIC technology. Our VHM™, Very High bandwidth Memory customized for 3DIC, entered production in mid 2021. Using relatively mature logic technology, combined with our VHM™, our customers are able to achieve computing performance a few times that of state-of-the-art GPU. The leap in computing performance is world's first true demonstration of the performance potential of 3DIC. This is the culmination of almost three years of joint effort among our customers, our DRAM, logic, stacking foundry partners, as well as our design service partners.

AI BU achieved revenue of about NT\$773M in 2021, an outstanding achievement for a new business unit. However, we are still just at the beginning of our 3DIC vision. Our revenue consists primarily of our early adopter customers. In time, customers in other applications will also ramp up and contribute to our revenue stream.

As a leader and pioneer of 3DIC technology, we face significant challenges in supply chain. We will partner with our foundry and OSAT partners to build 3DIC ecosystem.

## ■ New Innovative Product Directions

As advanced packaging technology becomes increasingly main stream, the availability of miniaturized and low-parasitic passive devices has become a bottleneck. Since 2017, we have been incubating an idea to build silicon capacitor (IPD) using stack capacitors rather than deep trenches. Our products are thinner, denser, and higher performance than current industry state-of-the-art. Although our products have been in production for a few years, we have not attracted mainstream customers until recently. Since early 2021, we have been designing our products into multiple mainstream volume platforms.

In the meantime, we are also incubating other ideas in stealth mode. As these ideas find commercial applications, we will make them public.

## ■ Getting Ready to Invest for the Future

AP Memory continues to push the envelope of technology, especially in 3DIC and advanced packaging. Our foundry and OSAT partners see us as a key partner in finding the best solution to these new problems. In these partnerships, we have an increasingly important role and correspondingly heavy responsibilities to invest and share risks. We believe the potential reward far outweighs the investments we will make.

We initiated an equity fundraising in the form of GDR (Global Depositary Receipts) in late 2021. We successfully closed in January 2022 with net proceeds of about US\$190M, at the cost of 7.9% of share capital dilution. This is the war chest we will use to invest for the future.

## ■ Business Environment and 2022 Outlook

The semiconductor industry experienced a phenomenal up cycle in 2021, with capacity shortage pushing up demand and prices across the board. Like all other up cycles, some degree of correction is only a matter of time.

In our customized memory business, which tends to be less cyclical or non-cyclical, we did experience demand increase and some modest price increase as well. However, we started seeing the downside of high demand. Some customers have difficulty finding sufficient logic wafer. As a result, we started seeing moderation in our customer demand in late Q3.

In 2022, we expect the logic wafer shortage to continue at least throughout the first half. This will put a damper on

our growth in the first half of the year. This situation applies to both business units.

Despite the short term moderation in growth, we continue to see rapid growth in number of design-ins in IoT Business Unit, and high interest in our AI Business Unit offering. We are more optimistic than ever in our long-term growth prospects. In 2022, we strive to solidify our leadership in IoT, AI, and IPD, and continue to innovate and deliver financial results for our shareholders.

We deeply appreciate the support and encouragement of our shareholders, as well as that of our customers, suppliers, employees, and other ecosystem partners.

Chairman and President: Chen, Wen-Liang

Finance Center Vice President: Lin, Yu-Hsin

Accounting Senior Manager: Hung, Mao-Chuan



## Attachment 2.

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders

AP Memory Technology Corporation

#### Opinion

We have audited the accompanying parent company only financial statements of AP Memory Technology Corporation (hereinafter referred to as the Corporation), which comprise the parent company only balance sheet as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation 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 judgement, were of the most significance in our audit of the Corporation's parent company only financial statements for the year ended 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's parent company only financial statements for the year ended 2021 are described as follows:

#### Sales Revenue from Specific Customers

The sales revenue of AP Memory Technology Corporation was \$6,206,697 thousand in 2021. The revenue from sales to some customers, which increased significantly comparing with the previous year, counts for a large portion of the total sales revenue and is therefore determined as one of the key audit matters.

Our main audit procedures performed in response to the key audit matter described above were as follows:

1. Understand and evaluate revenue recognition related internal control system and test the design and implementation of thereof.
2. Target specific customers to randomly select related revenue transactions and issue an inquiry letter thereto accordingly. If the inquiry letter cannot be taken back on time, implement alternative procedures, such as checking transaction certificates and post-period payment collection status.
3. Target specific customers to sample the sales revenue records thereof; and review related transaction documents, such purchase order, shipping documents and payment collection receipts to confirm the authenticity of revenue recognition.
4. Sample post-period sales returns, discounts and payment collection status to confirm the rationality of revenue recognition.

#### **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 Corporation'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 Corporation 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 Corporation'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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation 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 Corporation to express an opinion on the parent company only

financial statements. We are responsible for the direction, supervision and performance of the Corporation 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 Corporation's parent company only financial statements for the year ended 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Yen Chien and Cheng-Chun Chiu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 25, 2022

Notice to Readers

*The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying 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 auditors' report and financial statements shall prevail.*

AP Memory Technology Corporation  
Parent Company Only Balance Sheets  
As of December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
<b>Current assets</b>				
Cash and cash equivalents	\$ 2,303,832	37	\$ 225,802	6
Valuation gain on financial assets at fair value through profit or loss - Current	-	-	180,197	5
Financial assets at amortized cost - Current	2,763	-	2,744	-
Accounts receivable	740,801	12	556,225	15
Accounts receivable from related parties	110,246	2	200,474	5
Current tax assets	-	-	14,836	-
Other receivables	38,095	-	401,081	10
Inventories	1,696,402	27	624,862	16
Other current assets	<u>7,015</u>	<u>-</u>	<u>1,009</u>	<u>-</u>
<b>Total current assets</b>	<b><u>4,899,154</u></b>	<b><u>78</u></b>	<b><u>2,207,230</u></b>	<b><u>57</u></b>
<b>Non-current assets</b>				
Valuation gain on financial assets at fair value through profit or loss- Non-current	141,989	2	68,016	2
Investments accounted for using equity method	329,481	5	1,103,817	29
Property, plant and equipment	80,347	1	5,723	-
Right-of-use assets	97,499	2	40,955	1
Other intangible assets	6,098	-	13,973	-
Deferred income tax assets	25,486	1	78,811	2
Prepayments for business facilities	-	-	1,869	-
Refundable deposits	464,609	8	208,194	6
Other non-current assets	<u>205,876</u>	<u>3</u>	<u>122,764</u>	<u>3</u>
<b>Total non-current assets</b>	<b><u>1,351,385</u></b>	<b><u>22</u></b>	<b><u>1,644,122</u></b>	<b><u>43</u></b>
<b>Total assets</b>	<b><u>\$ 6,250,539</u></b>	<b><u>100</u></b>	<b><u>\$ 3,851,352</u></b>	<b><u>100</u></b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Short-term loans	\$ -	-	\$ 85,140	2
Contract liabilities	172,570	3	-	-
Accounts payable	600,046	10	228,188	6
Other payables	153,178	2	305,268	8
Other payables from related parties	14,532	-	15,843	1
Current tax liabilities	387,146	6	71,602	2
Lease liabilities— Current	40,872	1	15,696	-
Other current liabilities	<u>3,392</u>	<u>-</u>	<u>1,726</u>	<u>-</u>
<b>Total current liabilities</b>	<b><u>1,371,736</u></b>	<b><u>22</u></b>	<b><u>723,463</u></b>	<b><u>19</u></b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	19,278	-	233	-
Lease liabilities - Non-current	50,570	1	24,686	-
Guarantee deposits received	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total non-current liabilities</b>	<b><u>83,848</u></b>	<b><u>1</u></b>	<b><u>24,919</u></b>	<b><u>-</u></b>
<b>Total liabilities</b>	<b><u>1,455,584</u></b>	<b><u>23</u></b>	<b><u>748,382</u></b>	<b><u>19</u></b>
<b>Equity</b>				
<b>Share capital</b>				
Ordinary share	744,136	12	742,316	19
Advance receipts for ordinary share	<u>2,861</u>	<u>-</u>	<u>532</u>	<u>-</u>
<b>Total shares</b>	<b><u>746,997</u></b>	<b><u>12</u></b>	<b><u>742,848</u></b>	<b><u>19</u></b>
Capital surplus	<u>1,054,788</u>	<u>17</u>	<u>1,020,722</u>	<u>27</u>
<b>Retained earnings</b>				
Legal reserve	364,163	6	282,992	8
Special reserve	-	-	4,576	-
Unappropriated retained earnings	<u>2,631,525</u>	<u>42</u>	<u>1,053,036</u>	<u>27</u>
<b>Total retained earnings</b>	<b><u>2,995,688</u></b>	<b><u>48</u></b>	<b><u>1,340,604</u></b>	<b><u>35</u></b>
Other equity interest	<u>8,728</u>	<u>-</u>	<u>10,042</u>	<u>-</u>
Treasury shares	( <u>11,246</u> )	<u>-</u>	( <u>11,246</u> )	<u>-</u>
<b>Total equity</b>	<b><u>4,794,955</u></b>	<b><u>77</u></b>	<b><u>3,102,970</u></b>	<b><u>81</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 6,250,539</u></b>	<b><u>100</u></b>	<b><u>\$ 3,851,352</u></b>	<b><u>100</u></b>

AP Memory Technology Corporation  
Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
Operating revenue	\$ 6,461,280	100	\$ 3,535,263	100
Operating costs	<u>3,593,354</u>	<u>56</u>	<u>2,549,684</u>	<u>72</u>
Gross profit	<u>2,867,926</u>	<u>44</u>	<u>985,579</u>	<u>28</u>
Operating expense				
Selling expense	101,916	2	69,721	2
Administrative expense	166,463	2	85,305	3
Research and development expense	278,473	4	294,269	8
Expected credit/ impairment (gain on reversal of impairment loss) loss	( <u>602</u> )	<u>-</u>	<u>2,086</u>	<u>-</u>
Total operating expense	<u>546,250</u>	<u>8</u>	<u>451,381</u>	<u>13</u>
Net operating income	<u>2,321,676</u>	<u>36</u>	<u>534,198</u>	<u>15</u>
Non-operating income and expense				
Share of profit of subsidiaries and associates accounted for using equity method	85,024	1	326,833	9
Interest income	3,110	-	2,038	-
Interest income	982	-	25,212	1
Net loss on disposals of investments	-	-	( 5,078 )	-
Net foreign exchange loss	( 14,849 )	-	( 44,017 )	( 1 )

(Next page)

(Previous page)

	2021		2020	
	Amount	%	Amount	%
Net gains on financial assets at fair value through profit or loss	\$ 118,983	2	\$ 38,050	1
Interest expense	( 1,806 )	-	( 1,727 )	-
Loss on disposals of property, plant and equipment	<u>-</u>	<u>-</u>	( <u>142</u> )	<u>-</u>
Total non-operating income and expense	<u>191,444</u>	<u>3</u>	<u>341,169</u>	<u>10</u>
Income before tax	2,513,120	39	875,367	25
Income tax expense	( <u>487,663</u> )	( <u>8</u> )	( <u>63,657</u> )	( <u>2</u> )
Net profit (loss) for the year	<u>2,025,457</u>	<u>31</u>	<u>811,710</u>	<u>23</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	( 1,299 )	-	( 1,832 )	-
Share of the other comprehensive income of subsidiaries accounted for using equity method	( <u>15</u> )	<u>-</u>	<u>12,857</u>	<u>-</u>
	( <u>1,314</u> )	<u>-</u>	<u>11,025</u>	<u>-</u>
Other comprehensive income for the year (net of income tax)	( <u>1,314</u> )	<u>-</u>	<u>11,025</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 2,024,143</u>	<u>31</u>	<u>\$ 822,735</u>	<u>23</u>
Earnings per share				
Basic	<u>\$ 13.67</u>		<u>\$ 5.50</u>	
Diluted	<u>\$ 13.45</u>		<u>\$ 5.42</u>	

AP Memory Technology Corporation  
Parent Company Only Statements of Changes in Equity  
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	Share capital			Retained earnings					Other equity				
	Ordinary share	Advance receipts for ordinary share	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unearned compensation cost	Total	Treasury shares	Total equity
Balance at January 1, 2020	\$ 738,535	\$ -	\$ 738,535	\$ 838,388	\$ 282,992	\$ 3,225	\$ 316,359	\$ 602,576	( \$ 4,576 )	( \$ 1,120 )	( \$ 5,696 )	( \$ 11,246 )	\$2,162,557
Appropriation of the 2019 earnings													
Special reserve	-	-	-	-	-	1,351	( 1,351 )	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	( 73,682 )	( 73,682 )	-	-	-	-	( 73,682 )
Compensation cost for employee share options	-	-	-	10,365	-	-	-	-	-	-	-	-	10,365
Net profit for the year 2020	-	-	-	-	-	-	811,710	811,710	-	-	-	-	811,710
Other comprehensive income after tax for the year 2020	-	-	-	-	-	-	-	-	11,025	-	11,025	-	11,025
Total comprehensive income for the year 2020	-	-	-	-	-	-	811,710	811,710	11,025	-	11,025	-	822,735
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	153,042	-	-	-	-	3,593	-	3,593	-	156,635
Changes in ownership interests in subsidiaries	-	-	-	401	-	-	-	-	-	-	-	-	401
Issuance of ordinary shares under the employee share option plan	3,781	532	4,313	18,526	-	-	-	-	-	-	-	-	22,839
Issuance of restricted stock awards (RSAs) by the Corporation	-	-	-	-	-	-	-	-	-	1,120	1,120	-	1,120
Balance at December 31, 2020	742,316	532	742,848	1,020,722	282,992	4,576	1,053,036	1,340,604	10,042	-	10,042	( 11,246 )	3,102,970
Appropriation of the 2020 earnings													
Legal reserve	-	-	-	-	81,171	-	( 81,171 )	-	-	-	-	-	-
Special reserve	-	-	-	-	-	( 4,576 )	4,576	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	( 370,373 )	( 370,373 )	-	-	-	-	( 370,373 )
Compensation cost for employee share options	-	-	-	25,465	-	-	-	-	-	-	-	-	25,465
Net profit for the year 2021	-	-	-	-	-	-	2,025,457	2,025,457	-	-	-	-	2,025,457
Other comprehensive income after tax for the year 2021	-	-	-	-	-	-	-	-	( 1,314 )	-	( 1,314 )	-	( 1,314 )
Total comprehensive income for the year 2021	-	-	-	-	-	-	2,025,457	2,025,457	( 1,314 )	-	( 1,314 )	-	2,024,143
Issuance of ordinary shares under the employee share option plan	1,820	2,329	4,149	8,601	-	-	-	-	-	-	-	-	12,750
Balance at December 31, 2021	\$ 744,136	\$ 2,861	\$ 746,997	\$1,054,788	\$ 364,163	\$ -	\$2,631,525	\$2,995,688	\$ 8,728	\$ -	\$ 8,728	( \$ 11,246 )	\$4,794,955



AP Memory Technology Corporation  
Parent Company Only Statements of Cash Flows  
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
Cash flow from operating activities		
Income before tax for the year	\$ 2,513,120	\$ 875,367
Adjustments to reconcile profit (loss)		
Depreciation expense	43,001	13,814
Amortization expense	14,439	16,403
Expected credit/ impairment (gain on reversal of impairment loss) loss	( 602 )	2,086
Valuation gain on financial assets at fair value through profit or loss	( 118,983 )	( 38,050 )
Interest expense	1,806	1,727
Interest income	( 3,110 )	( 2,038 )
Dividend income	( 503 )	( 155 )
Cost of share-based payment	20,135	11,917
Share of profit (loss) of subsidiaries and associates accounted for using equity method	( 85,024 )	( 326,833 )
Loss on disposal and scrap of property, plant and equipment	-	142
Gains on disposal of associates accounted for using equity method	-	( 461 )
Loss of inventory falling price and slow-moving inventory	63,481	26,333
Reversal of (reserve for) unrealized loss on transaction with associates	-	9,728
Unrealized foreign exchange loss (gain)	( 24,446 )	24,645
Loss on disposal of subsidiaries	-	5,539
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	225,207	( 134,192 )
Accounts receivable	( 91,907 )	( 516,817 )
Other receivables	383,337	( 1,374 )
Inventories	( 1,135,021 )	324,657
Prepayment	( 89,037 )	( 7,847 )
Other current assets	( 81 )	431
Refundable deposits	( 243,440 )	-
Contract liabilities	172,570	-
Accounts payable	373,870	( 180,946 )

(Next page)

(Previous page)

	2021	2020
Other payables	( \$ 153,094 )	( \$ 24,147 )
Other current liabilities	<u>1,251</u>	<u>( 1,375 )</u>
Cash inflow (outflow) generated from operations	1,866,969	78,554
Interest received	3,030	2,014
Dividend received	503	155
Interest paid	( 1,808 )	( 1,806 )
Income taxes paid	<u>( 84,913 )</u>	<u>( 160 )</u>
Net cash inflow (outflow) generated from operating activities	<u>1,783,781</u>	<u>78,757</u>
Cash flows from investing activities		
Acquisition of investment accounted for using equity method	-	( 500 )
Proceeds from disposal of subsidiaries	-	6,946
Purchase of property, plant and equipment	( 88,055 )	( 3,107 )
Decrease (increase) in refundable deposits	( 12,975 )	( 4,761 )
Acquisition of intangible assets	( 6,564 )	( 1,518 )
Increase in prepayments for business facilities	-	( 1,869 )
Dividends received from associates and subsidiaries	<u>492,041</u>	<u>107,740</u>
Net cash flows from investing activities	<u>384,447</u>	<u>102,931</u>
Cash flows from (used in) financing activities		
Decrease in short-term loans	( 85,140 )	( 114,860 )
Increase in guarantee deposits	14,000	-
Payment of lease liabilities	( 32,770 )	( 7,347 )
Cash dividend paid	( 370,373 )	( 73,682 )
Exercise of employee share options	12,750	22,839
Acquisition of ownership interests in subsidiaries	( 27,665 )	-
Disposal of ownership interests in subsidiaries	<u>399,000</u>	<u>-</u>
Net cash from financing activities	<u>( 90,198 )</u>	<u>( 173,050 )</u>
Net increase in cash and cash equivalents	2,078,030	8,638
Cash and cash equivalents at the beginning of the year	<u>225,802</u>	<u>217,164</u>
Cash and cash equivalents at the end of the year	<u>\$ 2,303,832</u>	<u>\$ 225,802</u>

## **Declaration of Consolidation of Financial Statements of Affiliates**

We hereby declare that the companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of a parent and its subsidiaries under International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of a parent and its subsidiaries. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Company: AP Memory Technology Corporation

Person in charge: Chen, Wen-Liang

Date: February 25, 2022

## INDEPENDENT AUDITORS'S REPORT

The Board of Directors and Stockholders

AP Memory Technology Corporation

### Opinion

We have audited the accompanying consolidated financial statements of AP Memory Technology Corporation and subsidiaries (hereinafter referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the Group's consolidated financial statements for the year ended 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended 2021 are described as follows:

#### Sales Revenue from Specific Customers

The sales revenue of AP Memory Technology Corporation and Subsidiaries was \$6,318,944 thousand in 2021. The revenue from sales to some customers, which increased significantly comparing with the previous year, counts for a large portion of the total sales revenue and is therefore determined as one of the key audit matters.

Our main audit procedures performed in response to the key audit matter described above were as follows:

5. Understand and evaluate revenue recognition related internal control system and test the design and implementation of thereof.
6. Target specific customers to randomly select related revenue transactions and issue an inquiry letter thereto accordingly. If the inquiry letter cannot be taken back on time, implement alternative procedures, such as checking transaction certificates and post-period payment collection status.
7. Target specific customers to sample the sales revenue records thereof; and review related transaction documents, such purchase order, shipping documents and payment collection receipts to confirm the authenticity of revenue recognition.
8. Sample post-period sales returns, discounts and payment collection status to confirm the rationality of revenue recognition.

#### **Other Matters**

We have also audited the parent company only financial statements of AP Memory Technology Corporation as of and for the year ended 2021 and 2020 on which we have issued an unqualified 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' review report are Ming-Yen Chien and Cheng-Chun Chiu.

**Deloitte & Touche**

Taipei, Taiwan

Republic of China

February 25, 2022

*Notice to Readers*

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and 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 auditors' report and consolidated financial statements shall prevail.*

AP Memory Technology Corporation and Subsidiaries  
Consolidated Balance Sheets  
As of December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
<b>Current assets</b>				
Cash and cash equivalents	\$ 2,517,447	40	\$ 662,967	17
Financial assets at fair value through profit or loss - Current	-	-	930,536	23
Financial assets at amortized cost - Current	2,763	-	60,215	1
Accounts receivable	854,080	14	600,601	15
Other receivables	38,106	1	401,777	10
Current tax assets	-	-	20,453	1
Inventories	1,696,621	27	625,055	16
Other current assets	15,516	-	8,423	-
Total current assets	<u>5,124,533</u>	<u>82</u>	<u>3,310,027</u>	<u>83</u>
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss - Non-current	141,989	2	68,016	2
Financial assets at amortized cost - Non-current	5,789	-	5,865	-
Investments accounted for using equity method	87,123	1	79,905	2
Property, plant and equipment	81,399	1	8,009	-
Right-of-use assets	98,908	2	46,096	1
Other intangible assets	16,978	-	35,103	1
Deferred tax assets	25,486	1	78,811	2
Prepayments for business facilities	-	-	1,869	-
Refundable deposits	464,971	7	208,547	5
Other non-current assets	231,467	4	141,152	4
Total non-current assets	<u>1,154,110</u>	<u>18</u>	<u>673,373</u>	<u>17</u>
<b>Total assets</b>	<u>\$ 6,278,643</u>	<u>100</u>	<u>\$ 3,983,400</u>	<u>100</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Short-term loans	\$ -	-	\$ 130,613	3
Contract liabilities	173,602	3	88	-
Accounts payable	600,046	9	236,934	6
Other payables	192,369	3	332,738	8
Current tax liabilities	388,279	6	132,617	3
Lease liabilities - Current	41,286	1	19,830	1
Other current liabilities	4,258	-	2,287	-
Total current liabilities	<u>1,399,840</u>	<u>22</u>	<u>855,107</u>	<u>21</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	19,278	1	233	-
Lease liabilities - Non-current	50,570	1	25,090	1
Guarantee deposits received	14,000	-	-	-
Total non-current liabilities	<u>83,848</u>	<u>2</u>	<u>25,323</u>	<u>1</u>
Total liabilities	<u>1,483,688</u>	<u>24</u>	<u>880,430</u>	<u>22</u>
<b>Equity</b>				
Share capital				
Ordinary share	744,136	12	742,316	19
Advance receipts for ordinary share	2,861	-	532	-
Total shares	<u>746,997</u>	<u>12</u>	<u>742,848</u>	<u>19</u>
Capital surplus	1,054,788	17	1,020,722	25
Retained earnings				
Legal reserve	364,163	5	282,992	7
Special reserve	-	-	4,576	-
Unappropriated earnings	2,631,525	42	1,053,036	27
Total retained earnings	<u>2,995,688</u>	<u>47</u>	<u>1,340,604</u>	<u>34</u>
Other equity	8,728	-	10,042	-
Treasury shares	( 11,246 )	-	( 11,246 )	-
Equity attributable to owners of the parent	<u>4,794,955</u>	<u>76</u>	<u>3,102,970</u>	<u>78</u>
Total equity	<u>4,794,955</u>	<u>76</u>	<u>3,102,970</u>	<u>78</u>
<b>Total liabilities and equity</b>	<u>\$ 6,278,643</u>	<u>100</u>	<u>\$ 3,983,400</u>	<u>100</u>



AP Memory Technology Corporation and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars,  
except earnings per share)

	2021		2020	
	Amount	%	Amount	%
Operating revenue	\$ 6,617,215	100	\$ 3,549,497	100
Operating costs	<u>3,591,607</u>	<u>54</u>	<u>2,523,826</u>	<u>71</u>
Gross profit	<u>3,025,608</u>	<u>46</u>	<u>1,025,671</u>	<u>29</u>
Operating expense				
Selling expense	115,405	2	86,707	2
Administrative expense	181,544	3	103,602	3
Research and development expense	359,104	5	313,530	9
Expected credit/ impairment (gain on reversal of impairment loss) loss	( <u>602</u> )	-	<u>2,086</u>	-
Total operating expense	<u>655,451</u>	<u>10</u>	<u>505,925</u>	<u>14</u>
Net operating income	<u>2,370,157</u>	<u>36</u>	<u>519,746</u>	<u>15</u>
Non-operating income and expense				
Share of other comprehensive income of associates, accounted for using equity method	12,618	-	4,948	-
Interest income	4,957	-	6,348	-
Other gains and losses	104,688	2	409,400	12
Other income, others	23,797	-	6,315	-
Interest expense	( 1,951 )	-	( 2,803 )	-
Miscellaneous disbursements	<u>-</u>	<u>-</u>	<u>( 3,599 )</u>	<u>-</u>
Total non-operating income and expense	<u>144,109</u>	<u>2</u>	<u>420,609</u>	<u>12</u>
Profit (loss) from continuing operations before tax	2,514,266	38	940,355	27
Income tax expense	( <u>488,809</u> )	( <u>7</u> )	( <u>124,985</u> )	( <u>4</u> )

(Next page)

(Previous page)

	2021		2020	
	Amount	%	Amount	%
Profit (loss) from continuing operations in the year	\$ 2,025,457	31	\$ 815,370	23
Profit (loss) from discontinued operations	<u>-</u>	<u>-</u>	<u>5,613</u>	<u>-</u>
Net profit (loss) for the year	<u>2,025,457</u>	<u>31</u>	<u>820,983</u>	<u>23</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	( <u>1,314</u> )	<u>-</u>	<u>11,060</u>	<u>-</u>
Other comprehensive income for the year (net after income tax)	( <u>1,314</u> )	<u>-</u>	<u>11,060</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 2,024,143</u>	<u>31</u>	<u>\$ 832,043</u>	<u>23</u>
Profit attributable to:				
Owners of the parent	\$ 2,025,457	31	\$ 811,710	23
Non-controlling interest	<u>-</u>	<u>-</u>	<u>9,273</u>	<u>-</u>
	<u>\$ 2,025,457</u>	<u>31</u>	<u>\$ 820,983</u>	<u>23</u>
Comprehensive income (loss) attributable to:				
Owners of the parent	\$ 2,024,143	31	\$ 822,735	23
Non-controlling interest	<u>-</u>	<u>-</u>	<u>9,308</u>	<u>-</u>
	<u>\$ 2,024,143</u>	<u>31</u>	<u>\$ 832,043</u>	<u>23</u>
Earnings per share				
From continuing and discontinued operations				
Basic	<u>\$ 13.67</u>		<u>\$ 5.50</u>	
Diluted	<u>\$ 13.45</u>		<u>\$ 5.42</u>	
From continuing operations				
Basic	<u>\$ 13.67</u>		<u>\$ 5.52</u>	
Diluted	<u>\$ 13.45</u>		<u>\$ 5.44</u>	

AP Memory Technology Corporation and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	Share capital			Capital surplus	Retained earnings				Other equity interest			Equity attributable to owners of the parent	Non-controlling interest	Total equity	
	Ordinary share	Advance receipts for ordinary share	Total		Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unearned compensation cost	Total				Treasury shares
	Balance at January 1, 2020	\$ 738,535	\$ -		\$ 738,535	\$ 838,388	\$ 282,992	\$ 3,225	\$ 316,359	\$ 602,576	(\$ 4,576)				(\$ 1,120)
Appropriation of the 2019 earnings															
Special reserve	-	-	-	-	-	1,351	( 1,351)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	( 73,682)	( 73,682)	-	-	-	-	( 73,682)	-	( 73,682)
Compensation cost for employee share options	-	-	-	10,365	-	-	-	-	-	-	-	-	10,365	( 401)	9,964
Net profit for the year 2020	-	-	-	-	-	-	811,710	811,710	-	-	-	-	811,710	9,273	820,983
Other comprehensive income after tax for the year 2020	-	-	-	-	-	-	-	-	11,025	-	11,025	-	11,025	35	11,060
Total comprehensive income for the year 2020	-	-	-	-	-	-	811,710	811,710	11,025	-	11,025	-	822,735	9,308	832,043
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	( 22,979)	( 22,979)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	153,042	-	-	-	-	3,593	-	3,593	-	156,635	14,072	170,707
Changes in ownership interests in subsidiaries	-	-	-	401	-	-	-	-	-	-	-	-	401	-	401
Issuance of ordinary shares under the employee share option plan	3,781	532	4,313	18,526	-	-	-	-	-	-	-	-	22,839	-	22,839
Issuance of restricted stock awards (RSAs) by the Corporation	-	-	-	-	-	-	-	-	-	1,120	1,120	-	1,120	-	1,120
Balance at December 31, 2020	742,316	532	742,848	1,020,722	282,992	4,576	1,053,036	1,340,604	10,042	-	10,042	( 11,246)	3,102,970	-	3,102,970
Appropriation of the 2020 earnings															
Legal reserve	-	-	-	-	81,171	-	( 81,171)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	( 4,576)	4,576	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	( 370,373)	( 370,373)	-	-	-	-	( 370,373)	-	( 370,373)
Compensation cost for employee share options	-	-	-	25,465	-	-	-	-	-	-	-	-	25,465	-	25,465
Net profit for the year 2021	-	-	-	-	-	-	2,025,457	2,025,457	-	-	-	-	2,025,457	-	2,025,457
Other comprehensive income after tax for the year 2021	-	-	-	-	-	-	-	-	( 1,314)	-	( 1,314)	-	( 1,314)	-	( 1,314)
Total comprehensive income for the year 2021	-	-	-	-	-	-	2,025,457	2,025,457	( 1,314)	-	( 1,314)	-	2,024,143	-	2,024,143
Issuance of ordinary shares under the employee share option plan	1,820	2,329	4,149	8,601	-	-	-	-	-	-	-	-	12,750	-	12,750
Balance at December 31, 2021	\$ 744,136	\$ 2,861	\$ 746,997	\$ 1,054,788	\$ 364,163	\$ -	\$ 2,631,525	\$ 2,995,688	\$ 8,728	\$ -	\$ 8,728	(\$ 11,246)	\$ 4,794,955	\$ -	\$ 4,794,955

AP Memory Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities		
Income from continuing operations before income taxes	\$ 2,514,266	\$ 940,355
Income from discontinued operations before income taxes	-	5,619
Income before taxes for the year	2,514,266	945,974
Adjustments to reconcile profit (loss)		
Depreciation expense	48,237	22,966
Amortization expense	25,050	37,497
Expected credit/ impairment (gain on reversal of impairment loss) loss	( 602 )	2,086
Valuation gain on financial assets at fair value through profit or loss	( 120,071 )	( 48,141 )
Interest expense	1,951	2,733
Interest income	( 4,957 )	( 6,348 )
Dividend income	( 503 )	( 155 )
Cost of share-based payment	25,465	11,485
Share of profit (loss) of associates accounted for using equity method	( 12,618 )	( 4,948 )
Loss on disposal and scrap of property, plant and equipment	-	142
Gain (on disposal of assets)	-	( 422,810 )
Gains on disposal of associates accounted for using equity method	-	( 461 )
Loss of inventory falling price and slow-moving inventory	63,481	26,333
Unrealized foreign exchange loss (gain)	( 24,446 )	26,954
Loss on lease contract	-	116
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	976,634	( 884,193 )
Notes and accounts receivable	( 251,038 )	( 194,001 )
Other receivables	384,775	28,129
Inventories	( 1,135,047 )	157,398
Other assets	( 97,408 )	( 8,099 )
Refundable deposits	( 243,440 )	-
Contract liabilities	173,514	( 6,458 )
Accounts payable	365,124	151,522
Other payables	( 141,367 )	( 3,856 )
Other current liabilities	1,556	2,865
Cash inflow (outflow) generated from operations	2,548,556	( 163,270 )
Interest received	4,143	5,382

(Next page)

(Previous page)

	<u>2021</u>	<u>2020</u>
Dividend received	\$ 503	\$ 155
Interest paid	( 1,953 )	( 2,883 )
Income taxes paid	( <u>140,324</u> )	( <u>21,040</u> )
Net cash inflow (outflow) generated from operating activities	<u>2,410,925</u>	( <u>181,656</u> )
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	-	( 57,435 )
Proceeds from disposal of financial assets at amortized	57,528	-
Acquisition of investment accounted for using equity method	-	( 500 )
Proceeds from disposal of subsidiaries	-	451,200
Purchase of property, plant and equipment	( 87,049 )	( 4,531 )
Disposition of Property, plant and equipment	-	1,191
Increase in refundable deposits	( 12,984 )	( 3,754 )
Acquisition of intangible assets	( 7,404 )	( 27,548 )
Increase in prepayments for business facilities	-	( 17,293 )
Dividends received from associates	5,400	7,740
Issuance of financial liabilities measured at fair value through profit or loss	<u>-</u>	<u>9,753</u>
Net cash flows from investing activities	( <u>44,509</u> )	358,823
Cash flows from (used in) financing activities		
Decrease in short-term loans	( 130,613 )	( 172,566 )
Increase in guarantee deposits	14,000	-
Payment of lease liabilities	( 36,892 )	( 14,494 )
Cash dividend paid	( 370,373 )	( 73,682 )
Exercise of employee share options	12,750	22,839
Disposal of ownership interests in subsidiaries (without loss of control)	<u>-</u>	<u>140,447</u>
Net cash from financing activities	( <u>511,128</u> )	( <u>97,456</u> )
Effect of exchange rate changes on cash and cash equivalents	( <u>808</u> )	( <u>1,008</u> )
Net increase in cash and cash equivalents	1,854,480	78,703
Cash and cash equivalents at the beginning of the year	<u>662,967</u>	<u>584,264</u>
Cash and cash equivalents at the end of the year	<u>\$ 2,517,447</u>	<u>\$ 662,967</u>

### **Attachment 3.**

## **Audit Committee's Review Report**

The Board of Directors has prepared the AP Memory Technology Corporation's (APM) 2021 Business Report, Financial Statements and proposal for allocation of annual earnings. The CPA firm of Deloitte & Touche was retained to audit APM's Financial statements and has issued an audit report relating to the Financial statements. The Business Report, Financial Statements, and the annual earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of APM. According to relevant requirements of the Securities and Exchange Act and Company Law, we hereby submit this report.

### **AP Memory Technology Corporation**

Chairman of Audit Committee : Yeh, Jui-Pin

February 25, 2022

#### Attachment 4. Comparison Table for the “Articles of Incorporation” before and after revision

Article	Current Version	New Version
9	<p>Shareholders’ meetings of the Company are of two types, namely: (1)Annual General Shareholders’ Meetings – which shall be convened by the Board of Directors within 6 months after the end of each fiscal year, and (2)Special Shareholders’ Meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.</p> <p>For shareholders holding less than 1,000 registered shares, the notice of meeting will be sent by public announcement instead of physical mail.</p> <p>Notice of a meeting may be sent through electronical way if the counterparty agrees.</p>	<p>Shareholders’ meetings of the Company are of two types, namely: (1)Annual General Shareholders’ Meetings – which shall be convened by the Board of Directors within 6 months after the end of each fiscal year, and (2)Special Shareholders’ Meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.</p> <p>For shareholders holding less than 1,000 registered shares, the notice of meeting will be sent by public announcement instead of physical mail.</p> <p>Notice of a meeting may be sent through electronical way if the counterparty agrees.</p> <p><u>The shareholders' meeting may be held by video conference or other means announced by the central competent authority.</u></p>
23	<p>These Articles of Incorporation were resolved on July 21, 2011. The first amendment was made on November 8, 2011, the second amendment was made on May 4, 2012, the third amendment was made on June 21, 2012, the fourth amendment was made on June 4, 2014, the fifth amendment was made on June 23, 2015, the sixth amendment was made on May 27, 2016, the seventh amendment was made on June 6, 2019, the eighth amendment was made on June 17, 2021</p>	<p>These Articles of Incorporation were resolved on July 21, 2011. The first amendment was made on November 8, 2011, the second amendment was made on May 4, 2012, the third amendment was made on June 21, 2012, the fourth amendment was made on June 4, 2014, the fifth amendment was made on June 23, 2015, the sixth amendment was made on May 27, 2016, the seventh amendment was made on June 6, 2019, the eighth amendment was made on June 17, 2021, <u>the nineth amendment was made on May 27, 2022</u></p>

**Attachment 5. Comparison Table for the “Procedures for Acquisition or Disposal of Assets” before and after revision**

Current Version	New Version
<p>5.2 The aforementioned professionals when issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>5.2.1 Omitted.</p> <p>5.2.2 When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers</p> <p>5.2.3 They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion</p> <p>5.2.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations</p>	<p>5.2 The aforementioned professionals when issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of their respective allied associations</u> and the following:</p> <p>5.2.1 Omitted</p> <p>5.2.2 When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>5.2.3 They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>5.2.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations</p>
<p>8.2.1.2 In acquiring or disposing of marketable securities thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, shall obtain an appraisal report in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) from certified public accountant prior to the date of occurrence of the event.</p> <p>8.2.2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>8.2.3 In acquiring or disposing of intangible assets t, or right-of-use of intangible assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government</p>	<p>8.2.1.2 In acquiring or disposing of marketable securities thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, shall obtain an appraisal report <del>in accordance with the provisions of</del> <u>Statement of Auditing Standards No. 20</u> <del>published by the ROC Accounting Research and Development Foundation (ARDF) from certified public accountant i</del> prior to the date of occurrence of the event.</p> <p>8.2.2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <del>in accordance with the provisions of</del> <u>Statement of Auditing Standards No. 20</u> <del>published by the ROC ARDF and render a specific opinion</del> regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>8.2.3 In acquiring or disposing of intangible assets t, or right-of-use of intangible assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government</p>



Current Version	New Version
<p>agency, shall obtain an appraisal report in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC ARDF from certified public accountant prior to the date of occurrence of the event.</p>	<p>agency, shall obtain an appraisal report <del>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC ARDF</del> from certified public accountant prior to the date of occurrence of the event.</p>
<p>10.1.2 When the acquisition or disposal of equipment / real property for business use to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may authorize the chairman to decide such matters, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p> <p>10.1.3(Splitting from 10.1.2)</p> <p>10.1.4(New article)</p> <p>10.1.5(immigrating from 10.1.1.8)</p>	<p>10.1.2 When the acquisition or disposal of equipment <u>equipment / real property for business use or right-of-use of equipment / real property for business use</u> to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may authorize the chairman to decide such matters, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p> <p>10.1.3 When a matter is submitted for discussion by the board of directors pursuant, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>10.1.4 If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in 10.1.1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in 10.1.1.1~10.1.1.7 to the shareholders meeting for approval before it may sign the transaction contract and make payments. However, transactions between the Company and its subsidiaries or between its subsidiaries shall not be subject to this provision.</p> <p>10.1.5 The calculation of the transaction amount refer to preceding paragraph shall be made in accordance with the Section 2, Article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Items that have been recognized by shareholders meeting and audit committee and approved by the board of directors need not be counted toward the transaction amount.</p>
<p>13.1 Information disclosure procedures 13.1.6.1 Trading of domestic government bonds</p>	<p>13.1 Information disclosure procedures 13.1.6.1 Trading of domestic government bonds <u>or the foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></p>

**Attachment 6. Comparison Table for the “Rules Governing the Procedures for Shareholders Meetings ” before and after revision**

Current Version	New Version
<p>2.1 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p>	<p>2.1 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. Any change in the manner of holding the meeting shall be resolved by the board of directors at the latest before delivering of the notice of the shareholders' meeting.</p>
<p>2.3 After Company be a Public Company, The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, 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. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p>	<p>2.3 After Company be a Public Company, The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, 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. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby. <del>as well as being distributed on-site at the meeting place.</del> <u>Corporate 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:</u></p> <p><u>2.3.1 For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2.3.2 For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>2.3.3 For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p>
<p>2.9 After a proxy form has been delivered to this Corporation, 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 this Corporation before 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.</p>	<p>2.9 After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person <u>or online</u> or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 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.</p>
<p>3 The venue for a shareholders meeting shall be the</p>	<p>3 The venue for a shareholders meeting shall be the</p>

Current Version	New Version
<p>premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may 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.</p>	<p>premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may 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. <u>When the Corporation 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.</u></p>
<p>4 The Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>4.1 New article (The original article number will be incremented accordingly)</p>	<p>4 <u>The meeting notice shall specify the content as follows:</u></p> <p>4.1 <u>The Company shall specify its shareholders meeting notices, including the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters. 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. To convene a virtual shareholders meeting, this Corporation 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:</u></p> <p><u>4.1.1 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.</u></p> <p><u>4.1.2 Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>4.1.3 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 shareholder 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.</u></p> <p><u>4.1.4 Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p>
<p>4.1 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</p>	<p>4.2 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</p>

Current Version	New Version
<p>place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>(The original article number will be incremented accordingly)</p>	<p>place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>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.</u></p>
<p>4.2 Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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</p> <p>(The original article number will be incremented accordingly)</p>	<p>4.3 Shareholders , <u>their proxies and solicitors</u> (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.</p>
<p>4.4 The Corporation 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 or supervisors, pre-printed ballots shall also be furnished.</p> <p>(The original article number will be incremented accordingly)</p>	<p>4.5 The Corporation 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 or supervisors, pre-printed ballots shall also be furnished. <u>In the event of a virtual shareholders meeting, the Corporation shall upload the aforementioned documents to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>
<p>(New article)</p>	<p>4.7 <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Corporation two days before the meeting date.</u></p>
<p>(New article)</p>	<p>4.8 <u>When the Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 4.7 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.</u></p>
<p>7 The Corporation, 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. The recorded materials of the preceding paragraph shall be retained for at least one 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.</p>	<p>7 The Corporation, 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. The recorded materials of the preceding paragraph shall be retained for at least one 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.</p> <p><u>Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation,</u></p>

Current Version	New Version
	<p><u>and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording shall be properly kept by this Corporation 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. In case of a virtual shareholders meeting, the Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>
<p>8 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>8 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, sign-in cards handed in and the shares checked in on the <u>virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>
<p>9 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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. 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 Article 175, paragraph 1 of This Corporation Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p>	<p>9 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> 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 Article 175, paragraph 1 of This Corporation Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with paragraph 4.7.</u></p>
<p>(New article) (The original article number will be incremented accordingly)</p>	<p>12.6 <u>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 12.1 to 12.5 do not apply.</u></p>
<p>14.3 After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written</p>	<p>14.3 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 <u>or online</u>, a</p>

Current Version	New Version
<p>declaration of intent to retract the voting rights already exercised under the preceding paragraph. 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.</p>	<p>written declaration of intent to retract the voting rights already exercised under the preceding paragraph. <u>If 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.</u> 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.</p>
<p>14.7 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.</p>	<p>14.7 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. <u>In the event of a virtual shareholders meeting, this Corporation 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.</u></p>
<p>(New article) (The original article number will be incremented accordingly))</p>	<p>14.8 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. 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.</p>
<p>16 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. 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 their voting results. The minutes shall be retained for the duration of the existence of this Corporation. This Corporation could distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS as this Corporation is the public Company.</p>	<p>16 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. 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 their voting results. The minutes shall be retained for the duration of the existence of this Corporation. This Corporation could distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS as this Corporation is the public Company. <u>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,</u></p>

Current Version	New Version
	<p><u>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. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>
<p>17 On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p>	<p>17 On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, <u>the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation 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. During this Corporation'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.</u></p>
<p>(New article) (The original article number will be incremented accordingly)</p>	<p>21 Handling of technical issues related to virtual shareholders meeting</p> <p>21.1 <u>In the event of a virtual shareholders meeting, the Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p> <p>21.2 <u>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.</u></p> <p>21.3 <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the</u></p>

Current Version	New Version
	<p><u>affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p>21.4 <u>For a meeting to be postponed or resumed under the 21.2, 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.</u></p> <p>21.5 <u>During a postponed or resumed session of a shareholders meeting held under the 21.2, 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.</u></p> <p>21.6 <u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in 21.2, 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 second paragraph is required.</u></p> <p>21.7 <u>.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.</u></p> <p>21.8 <u>When postponing or resuming a meeting according to the 21.2, this Corporation 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.</u></p> <p>21.9 <u>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, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>



## Attachment 7. List of Independent Director Candidate

Title/Name	Professional Qualifications & Education	Current Positions	Shareholdings (shares)
<p>Independent Director Sun, Elizabeth</p>	<ul style="list-style-type: none"> <li>■ Senior Director, Corporate Communication Division &amp; Deputy Spokesman of TSMC</li> <li>■ Partner and CFO, InveStar Capital</li> <li>■ GMr&amp; Head of research, HSBC Securities in Taiwan</li> <li>■ VP and GM-Taiwan, State Street Corporation</li> <li>■ Associate Professor of Finance, San Jose State University</li> <li>■ PhD &amp; MBA, University of Cincinnati Carl H. Lindner College of Business</li> <li>■ BA in Philosophy, National Taiwan University</li> </ul>	<ul style="list-style-type: none"> <li>■ Honorary Chairperson, Taiwan Investor Relations Institute</li> <li>■ Member &amp; Chairman of Audit Committe, ACGA</li> <li>■ Consultant, MediaTek Inc.</li> </ul>	<p style="text-align: center;">0</p>