

Sonix Technology Co., Ltd.

2021 Annual Shareholders' Meeting

Handbook

(Translation)

Meeting Date: June 16, 2021, 9:00 a.m.

Location: Tai Yuan Hi Tech Industrial Park -
Convention Center (2F, No. 26, Taiyuan St.,
Zhubei City, Hsinchu, Taiwan)

(This document is prepared in accordance with the Chinese version and for reference only. If there is any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

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Sonix Technology Co., Ltd.

2021 Annual Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairmans' Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Election Matters
7. Other Proposals
8. Extemporary Motions
9. Adjournment

Sonix Technology Co., Ltd.

2021 Annual Shareholders' Meeting Agenda

Time: June 16, 2021(Wednesday) ,9:00 a.m.

Location: Tai Yuan Hi Tech Industrial Park - Convention Center
(2F, No. 26, Taiyuan St., Zhubei City, Hsinchu, Taiwan)

1. Call the Meeting to Order

2. Chairmans' Address

3. Report Items

- (1) Business Report of 2020
- (2) Supervisors' review report on the 2020 Financial Statements
- (3) Report the distribution of Directors' and Supervisors', Employees' remuneration of 2020

4. Approval Items

- (1) Adoption of the 2020 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2020 Profits

5. Discussion Items

- (1) Amendment to the " Article of Incorporation"
- (2) Amendment to the " Procedures for Election of Directors and Spervisors"
- (3) Amendment to the " Procedures for Acquisition or Disposal Assets"
- (4) Amendment to the " Procedures for Lending Funds to Other Parties"
- (5) Amendment to the " Procedures for Endorsement & Guarantee"

6. Election Matters

- (1) To elect new Directors

7. Other Proposals

- (1) Proposal of release the prohibition on directors from participation in competitive business

8. Extemporary Motions

9. Adjournment

Report Items

(1) Business Report of 2020

Please refer to the business report on page 12~17 (Attachment 1)

(2) Supervisors' review report on the 2020 Financial Statements

Please refer to the Supervisors' review report on page 18
(Attachment 2)

(3) Report the distribution of Directors' and Supervisors', Employees' remuneration of 2020

The proposed distribution of directors' and supervisors' remuneration and employees' remuneration of \$17,000 thousand and \$145,750 thousand, respectively, from the Company's 2020 earnings, all in cash, was approved by the Board of Directors on February 26, 2021.

Approval Items

(1) Adoption of the 2020 Business Report and Financial Statements

The Company's 2020 Business Report and Financial Statements have been prepared, audited by the Company's supervisors, and submitted for approval at the Annual Shareholders' Meeting. For business report and financial statements, please refer to page 12~17 (Attachment 1) and page 19~40 (Attachment 3) on this handbook.

Resolution:

(2) Adoption of the proposal for distribution of 2020 Profits

The distribution of the Company's 2020 earnings is proposed in accordance with the law as follows.

Sonix Technology Co., Ltd. 2020 Earnings Distribution Table

Unit: NT\$

Opening balance of unappropriated retained earnings	12,664,435
Add: Net income of 2020	1,025,600,794
Add: Defined benefit plan remeasurement recognized in retained earnings	233,006
Net income plus adjustments	1,025,833,800
Less: Provision for legal reserve	(102,583,380)
Add: Reversal of special reserve	67,068,483
Retained earnings available for distribution	1,002,983,338
Distribution items	
Dividend to shareholders - cash (\$5.7 per share)	956,899,253
Ending balance of unappropriated retained earnings	46,084,085

Note: The cash dividends paid to shareholders from the Company's 2020 earnings amounted to NT\$956,899,253, with NT\$5.7 per share paid to shareholders listed in the shareholder roster as of the ex-dividend date in accordance with their shareholdings; the cash dividends were calculated on a pro rata basis, with the amount below NT\$1 rounded off and the total amount of the less than NT\$1 round-off was recorded as other incomes. The Board of Directors shall determine the ex-dividend date and related matters once the cash dividends have been approved by the regular shareholders' meeting. If the total number of shares outstanding on the ex-dividend date changes, the Board of Directors will adjust the distribution amount per share based on the actual total number of shares outstanding on the ex-dividend date.

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Resolution:

Discussion Items

(1) Amendment to the "Article of Incorporation"

In order to comply with Article 14-4 of the Securities and Exchange Act, which provides for the establishment of an audit committee and the deletion of provisions related to supervisors, and to meet practical operational needs, it is proposed to amend some provisions of the "Article of Incorporation" Please refer to page 41~44 (Attachment 4) for a comparison of the original and amended article.

Resolution:

(2) Amendment to the " Procedures for Election of Directors and Supervisors "

In line with the Company's intention to establish an audit committee to replace the supervisors' duties and responsibilities and the need for practical operation, the Company intends to amend the relevant provisions of the "Procedure for Election of Directors and Supervisors" and rename it as the "Procedures for Election of Directors" please refer to page 45~47 (Attachment 5) for a comparison of the provisions before and after the amendment.

Resolution:

(3) Amendment to the " Procedures for Acquisition or Disposal Assets"

In view of the establishment of the Audit Committee and the practical needs of the Company, we intend to amend some provisions of the "Procedures for Acquisition or Disposal Assets" and please refer to page 48~50 (Attachment 6) for a comparison of the procedures before and after the amendment.

Resolution:

(4) Amendment to the " Procedures for Lending Funds to Other Parties"

In view of the establishment of the Audit Committee and the practical needs of the Company, we intend to amend some provisions of the "Procedures for Lending Funds to Other Parties," and please refer to page 51~53 (Attachment 7) for a comparison of the procedures before and after the amendment.

Resolution:

(5) Amendment to the " Procedures for Endorsement & Guarantee"

In view of the establishment of the Audit Committee and the practical needs of the Company, we intend to amend some provisions of the " Procedures for Endorsement & Guarantee" and please refer to page 54~57 (Attachment 8) for a comparison of the procedures before and after the amendment.

Resolution:

Election Matters

(1) To elect new Directors

1)The term of office of the current directors and supervisors of the Company will expire on June 14, 2021 and be due for re-election in accordance with the law.

2)In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company establishes an Audit Committee and elects nine directors (including three independent directors) for a term of three years from June 16, 2021 to June 15, 2024. New directors will assume office upon election.

3)The Company adopts a candidate nomination system for the election of directors, and the shareholders shall elect the candidates from the list of candidates for directors and independent directors, and the relevant information of the candidate list is as follows.

(1) The list of director candidates is as follows :

Name	Education	Experience	Current Job	Shareholding
Samuel Chen	B.S. Chemical Engineering, National Tsing Hua University	Chairman of Sonix Technology Co., Ltd.	Chairman of Sonix Technology Co., Ltd.	7,270,261
James Pao	M.S. Electronics Engineering, National Chao Tung University	CEO of Sonix Technology Co., Ltd.	Director and CEO of Sonix Technology Co., Ltd.	4,549,318
Chan Yee Hsiung	Institute of Electrical Engineering, New Jersey Institute of Technology	CTO of Sonix Technology Co., Ltd.	Director and CTO of Sonix Technology Co., Ltd.	3,532,219
Daniel Pan	B.A. Statistics, National Chung Hsing University College of Law and Commerce	CSO of Sonix Technology Co., Ltd.	Director and CSO of Sonix Technology Co., Ltd.	2,220,515
Chris Ko	University Of South Australia MBA	VP of Sales Division, Sonix Technology Co., Ltd.	Director and VP of Salse Division, Sonix Technology Co., Ltd.	578,602
Ching Hui Kuo	B.A., Accounting, Soochow University	Supervisor of Sonix Technology Co., Ltd.	Supervisor of Sonix Technology Co., Ltd. Director of the Honching Certified Public Accountant firm	368,907

(2) The list of independent director candidates is as follows :

Name	Education	Experience	Current Job	Share holding	Reasons for nomination for the third term
Kao Chung Tsai	M.A. Institute of Economics, Soochow University	CEO of Best Yield Management and Consulting Corporation	Independent director of Sonix Technology Co., Ltd. CEO of Best Yield Management and Consulting Corporation	0	Considering his work experience in financial related fields and his consulting capabilities for the company's products and technology, also he made specific suggestions on the company's finance, business, investment and other aspects as an independent director. He has made a lot of contributions to the company and performed quite well and competently. This time will continue to be nominated as an independent director candidate, so that he can still use his expertise and provide supervision and advice to the board of directors when performing independent director duties.
Chih Cheng Chou	Ph.D., Accounting, Shanghai University of Finance and Economics M.A. Institute of Accounting, National Chengchi University	CPA and Director of the Taipei Office of WeTec International CPAs.	Independent director of Sonix Technology Co., Ltd. and CPA and Director of the Taipei Office of WeTec International CPAs.	0	Considering his professional qualifications in financial accounting and familiarity with relevant laws and regulations, he made specific suggestions on the company's accounting, taxation, investment and other aspects during his role as an independent director. He has made a lot of contributions to the company and performed very well and competently. This time he will continue to be nominated as an independent director candidate, so that he can still use his expertise and provide supervision and advice to the board of directors.
Mao Tien Shen	Department of Civil Engineering, Tamkang University	Director and VP of Taiwan Mask Corp.	Independent director of Alpha Microelectronics Corp.	0	-

4) Please follow the Company's rules for election of directors for the election.

Election results:

Other Proposals

(1) Proposal of release the prohibition on directors from participation in competitive business

1) In accordance with Article 209(1) of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2) In light of the Company's business needs, the directors to be re-elected at the shareholders' meeting may concurrently serve as directors of other companies with the same business scope as the Company, and it is proposed that the shareholders' meeting resolve to lift the non-compete clause for new directors.

3) Since the Company adopts a candidate nomination system for the election of directors and independent directors, and in order to facilitate the shareholders to exercise their voting rights electronically, the "List of Candidates for Directors and Independent Directors released from Non-Compete Clause" is as below. After the election of directors and independent directors at the annual shareholders' meeting, the "List of Candidates for Directors and Independent Directors released from Non-Compete Clause" will be disclosed at the annual shareholders' meeting.

List of Candidates for Directors and Independent Directors released from Non-Compete Clause

Title	Name	Company in which the individual is concurrently serving	Position held
Director	Samuel Chen	Globalsat Worldcom Corporation	Chairman
		Rayson Technology Co., Ltd.	
		Chip Integration Technology Co., Ltd.	
		Anapex Technology Inc.	
Director	James Pao	New Pocket Device Corp.	Chairman
Director	Chris Ko	Champion Microelectronic Corp.	Representative of corporate director
Director	Ching Hui Kuo	Cincon Electronics Co., Ltd.	Independent director
Independent director	Kao Chung Tsai	Champion Microelectronic Corp.	Chairman
		Ultradisplay Inc.	Director
Independent director	Chih Cheng Chou	Ultrachip, Inc.	Director
		Zhen Ding Technology Holding Limited	Independent director
		Leader Electronics Inc.	
		Coasia Electronics Corp.	
Independent director	Mao Tien Shen	Alpha Microelectronics Corporation	Independent director

Resolution:

Extemporary Motions

Adjournment

Sonix Technology Co., Ltd.

Business Report

Attachment 1

I. 2020 Business Results

The outbreak of the COVID-19 pandemic in 2020 had an unprecedented impact on the global economy and industries. The Company has been working on medical microcontrollers for a long time, and in the first half of the year, the Company adequately and timely supplied additional forehead thermometer chips to contribute to the front line of epidemic prevention. In the second half of the year, in response to the changes in the epidemic, remote work and distance learning drove strong demand for video and OID chips, and boosted the Company's overall revenues to a record high of \$5.371 billion, with an annual growth rate of 66%. In addition to the impressive revenues performance, the Company also reported good profits with operating gross profits of NT\$2.282 billion, net operating profits of NT\$1.236 billion, net profits after tax of NT\$1.026 billion, and earnings per share of NT\$6.11. The product sales mix is 56% consumer and 44% multimedia with a balanced development.

The COVID-19 pandemic has caused dramatic changes in global consumption and lifestyle. The rise of the post-epidemic home economy, such as personal healthcare, home video, and distance learning, has led to strong demand for consumer electronics, and waves of 5G, AI, and automotive applications are pushing up the demand for semiconductors, but also causing the foundry and packaging capacity to be strained, making it the biggest challenge. Sonix has been able to build a strong competitive advantage and industrial position in the post-epidemic era by leveraging its strengths. In the face of market and supply chain uncertainties, all employees of the Company will continue to work together to meet the challenges and continue to achieve success.

(i) Revenues and profits

Unit: Thousand NT\$

Items	2020	2019	Increase or Decrease	Change %
Operating revenues	5,370,626	3,234,503	2,136,123	66%
Operating gross profits	2,282,470	1,289,224	993,246	77%
Operating net profits	1,236,163	362,207	873,956	241%
Net profits after tax	1,025,601	341,522	684,079	200%
Other comprehensive Income	214,597	55,469	159,128	287%
Total comprehensive Income	1,240,198	396,991	843,207	212%

(ii) Financial receipts and expenditures, and profitability analysis

1. Financial receipts and expenditures

Unit: Thousand NT\$

Items	2020	2019	Increase or Decrease	Change %
Interest incomes	9,771	8,609	1,162	13%

2. Profitability analysis

Analysis item	Year	
	2020	2019
Return on assets (%)	23.50	9.57
Return on equity (%)	29.69	11.44
Net profits before tax to paid-in capital (%)	73.76	23.54
Net profit margin (%)	19.10	10.56
Earnings per share (NT\$)	6.11	2.03

(iii) Implementation status of budget

The Company did not disclose its financial forecast for FY 2020; therefore, there is no need to disclose the implementation status of budget.

(iv) Research and Development Status

The Company's R&D expenses accounted for 14% of operating revenues in 2020, and the specific R&D results are as follows.

Product line	R&D status
Voice chips	<ul style="list-style-type: none">• Launched flash-based multi-channel voice and music synthesis controller with 16-bit DSP core, which supports high compression algorithm (Audio32) and triples the voice capacity compared to traditional ADPCM, and built-in with high quality and low power consumption Class D sound output for direct speaker applications. Built-in with large-capacity 8M bit flash memory, which can store program and voice data, and support ISP (In system program) function, and can dynamically store users' parameters, saving the cost of external flash memory or EEPROM. Built in with hardware capacitive touch key which easily realizes the touch key function stably, and provides various hardware peripherals such as ADC, I²C, UART, SPI, PWMIO, etc., and makes it easier for customers to develop and get started, and the product can meet the requirements of industrial regulations, and can be introduced into more fields of application in addition to traditional toys and educational applications.
Microcontrollers	<ul style="list-style-type: none">• Launched the medical and home blood oxygen (SPO2) measurement MCU, with a microcontroller as the core and a highly integrated blood oxygen measurement integrated circuit, including dual wavelength light source control DAC, optical microcurrent detection and signal amplification filter unit (TIA-OPA, PGA, Filter), high-speed ADC 12-bit conversion technology, and built-in communication interface and display interface, etc. to achieve the following goals.<ol style="list-style-type: none">1.ICs are highly integrated to reduce customer BOM and production costs and improve product competitiveness.2.High-precision products with improved functional characteristics and reliability to meet new regulatory standards in the future.3.Blood oxygen meter combined with personalized data collection and analysis, in line with the trend of medical big data, energy saving, and today's environmental protection trend.• Launched the USB type-C PD integrated microcontroller, which is a highly integrated microcontroller interface designed to meet market needs, simplifying the hardware circuitry and reducing the size of the transformer, while maintaining high efficiency in heat dissipation and current transfer, with the following features.<ol style="list-style-type: none">1.High-precision voltage feedback adjustment, in line with USB standard testing, improving charging efficiency.2.Built-in with analog CC-PHY and digital BMC engine required by the Power Delivery specification, together with MCU firmware control, which can pass various protocol tests and anti-noise verifications of the PD3.0 specification to ensure product compatibility and quality.3.Passed Qualcomm standard protocol test to ensure product compatibility quality.4.Built-in with high-precision temperature sensors that provide real-time system adaptation and protection against overheating environments to ensure system safety.5.Built-in with high-precision 12-bit SAR ADC for current and voltage sensing,

Product line	R&D status
	which provides high-precision voltage and current output as well as various protection mechanisms.
Image processing chips	<ul style="list-style-type: none"> Launched FHD image processing chips with RGB/IR and RGB+IR TNR support for Microsoft's Windows Hello facial recognition login system.
Wireless AV Solutions	<ul style="list-style-type: none"> For RV aftermarket, provide wireless reverse view, vehicle monitoring and security monitoring package system with easy installation procedure, which can also support local display or cell phone real-time monitoring, providing a long distance transmission, high quality and low latency solution.
Optical Identification Chip Set (Optical ID)	<ul style="list-style-type: none"> Launched new coding format to enhance the code point function.

II. 2021 Business Plan Overview

(i) Business principles and important policies

1.R&D Strategy

- (1)Based on profound microcontroller and imaging core technologies, keep abreast of the trend of consumer products, strengthen product system development, and provide highly integrated one-stop solutions (Turnkey Solution) to help customers shorten the development time of end products.
- (2)Strengthen software and hardware integration and in addition to chip specifications and performance improvements, a department to actively build platform, application services and various development tools, software design kits (SDKs) and technical documents has been set up to provide customers with more complete and real-time support.

2.Marketing Strategy

- (1)Deeply rooted in the domestic and overseas markets with the establishment of a complete and thorough marketing and agency network for sales locations in Asia and North America, providing comprehensive technical support through our agency mechanism and technical documents and development tools through our website to help customers solve problems and obtain the latest product information.
- (2)In terms of key customer development: In addition to high-end toy applications, the Company has also entered the field of home appliance and personal medical products, bringing a broader space; microcontroller products, with the support of a wide range of solution providers and developers, are in the leading position in personal medical and consumer electronics applications. With the impact of the COVID-19 epidemic, personal healthcare solutions such as forehead temperature guns, ear temperature guns, blood oxygen machines, blood pressure monitors, and blood glucose machines have become a must-have for families. The demand for various small home appliance solutions continues to rise, and with the advancement of 5G and AI technologies, more consumer electronics applications will be created, bringing a new blue ocean for the microcontroller market. For image multimedia products, in addition to providing the most innovative and competitive solutions for notebook computer manufacturers, the video at home, face recognition, smart surveillance, and cash payment fields are all opportunities for continued market expansion and growth. OID cooperates with online platform giants to combine online teaching solutions, which are well recognized by consumers and rapidly expanding the education market.
- (3)The Company reduces the risk of seasonality and balances the changes of supply and demand in the market by diversified product sales to create the next wave of growth opportunities.
- (4)In order to expand into new markets, the Company is actively promoting industry

integration, betting on STEM education, joining the Smart Robot Toy Alliance, and participating in the Artificial Intelligence Chip Alliance, actively communicating with the industry, integrating horizontal and vertical resources, and managing the visibility and influence of the Sonix brand.

3. Production Strategy

- (1) By leveraging the specialization in the value chain of Taiwan's semiconductor industry and working closely with upstream and downstream suppliers, obtain sufficient and high-quality wafer sources and ensure product yields and quality.
- (2) adopt a diversified outsourcing strategy to cooperate with foreign suppliers to spread the supply risk caused by natural disasters or accidents.

4. Operational and Financial Planning

Accumulate working capital through steady operations, with a strong structure of low debt and sufficient capital, coupled with a stringent internal control and audit system to ensure a strong financial structure and improve operating performance to cope with the impact of changes in the economy.

(ii) Expected sales volume and its basis

The Company continues to focus on the consumer electronics field and is actively expanding into microcontrollers and multimedia products with high growth potential. Based on 2020 sales data, the current industry environment and market demand, the estimated sales volume for 2021 is approximately 768,500 thousand units.

(iii) Production and Sales Strategy

The Company insists on serving customers with high quality and high efficiency, creating immediate benefits for customers, and uniting all employees to reach a consensus on "customer satisfaction service," focusing on "providing customers with the most efficient IC design," strengthening rapid R&D capability, participating in development from the time of product specification, thinking about customers' needs from the perspective of application, and taking the initiative to provide customers with tailor-made products and complete services with our independent and innovative technology, complete technology platform, and software and hardware development tools.

On the production side, the Company maintains long-term partnerships with upstream wafer and packaging and testing suppliers to stabilize capacity supply and appropriately enhance manufacturing processes to provide customers with the most efficient and competitive products.

III. Future development strategy of the Company

With microcontroller technology as the core, Sonix's 8-bit and 32-bit product lines are becoming more complete, combining its long-established video and voice core technologies and integrating various sensors and wireless transmission modules to become a cross-application platform. In addition to improved computing performance, the optical recognition chipsets are also moving toward miniaturization to meet the needs of various products.

SONIX's overall products continue to evolve towards energy saving, environmental protection, low power consumption and high performance, and strengthen the system

integration and networking capability of the products, and focus on STEM education and creative field to develop more diverse applications.

In terms of corporate sustainable operations, the Company has diversified our product development technologies from IC design, foundry to packaging and testing, and implemented the quality policy of "dynamic innovation and customer satisfaction" to establish the core value of the SONIX brand; in terms of customer service, we actively respond to various customer needs and strive for excellence to provide a more complete and friendly product development environment and software to help customers improve their development performance and efficiency. For internal employees, we uphold the spirit of one family, creating an open environment for employees to enjoy growth and work; for the investing public, we continue to return profits to shareholders, hoping to meet the needs of stakeholders at all levels and fulfill our corporate social responsibility.

IV. Effect of external competition, legal environment, and overall business environment.

(i) Major effect of external competition

The factors affecting the Company's products and markets include changes in the external environment and changes in technology applications.

Changes in the external environment: The continued spread of the coronavirus pneumonia has seriously affected global economic and trade dynamics, and major changes in people's daily lives and work patterns due to the epidemic have created the rise of epidemic prevention technologies and accelerated the development of many new products, services and business models. The "zero-touch economy" contributed by the demand for epidemic prevention has led to applications such as small home appliances, home leisure, remote video, and distance learning. The company's well-established microcontroller, voice technology, video, and OID have all made great gains in this wave.

Changes in technology application: AI, 5G, IoT and other digital technology applications are accelerating under the influence of this wave of epidemic. The continued deployment of 5G and the launch of high-performance computing-related products have generated strong demand for IC chips and upstream materials, resulting in a tight supply chain capacity, leading to supply-demand imbalance and shortage of production capacity.

(ii) Legal environment

The Company strictly abides by all laws and environmental regulations, and our product supply chain is managed through a process. We also actively extend our green product policy and develop harmless and green products, taking into account both quality and environmental benefits; we are committed to energy saving and pollution prevention by enhancing awareness of energy conservation and recycling. In terms of corporate governance, we also comply with laws and regulations and promote corporate social responsibility. We publish annual CSR reports to disclose relevant information to stakeholders and promote sustainable development. In addition, we pay close attention to the announcement and changes of various regulations and propose timely response measures to meet the needs of various changes and reduce the impact and influence

brought by changes in the legal environment. There was no violation of the relevant laws and regulations in 2020.

(iii) In terms of the overall business environment

The rapidly changing global trade landscape and the COVID-19 epidemic have made the global semiconductor market full of uncertainties and unpredictability. The successive US-China trade disputes and the epidemic have challenged the existing global supply chain production layout and brought changes to the current global economic division of work. In addition to the U.S.-China technology diversion, the post-epidemic era has seen an irresistible trend for manufacturing industries to move towards a global footprint in order to diversify risks and develop local economies.

Behind the epidemic crisis, there are also hopeful changes and new business opportunities. In response to the threat of the epidemic, existing technologies and new applications will accelerate the development of remote, cloud, internet, and e-commerce industries, and applications for smart home, smart medical, internet of things, electric vehicles, and drones will become more popular. For SONIX, which specializes in consumer electronic chips, the emergence of these new products and services will be an opportunity for operational growth in the long run.

(iv) Others in the legal and general business environments do not have a material effect on the Company's finance and business matters.

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Supervisors' Review Report

Attachment 2

The Board of Directors has prepared and submitted the business report, the financial statements (including the consolidated financial statements) and the earnings distribution proposal for the year ended December 31, 2020. Among them, the financial statements have been audited by CPA Tung-Feng Lee and Yao-Ling Huang of Deloitte & Touche, appointed by the Board of Directors, and they have issued the audit report.

The above-mentioned business report, financial statements and earnings distribution proposal have been examined by our supervisors and are considered to be in compliance with the relevant provisions of the Company Act, and we hereby report the above in accordance with Article 219 of the Company Act.

Please review and approve

To

The 2021 shareholders' meeting of Sonix Technology Co., Ltd.

Supervisor: Kao Hsin Investment Co., Ltd.

Representative: Hui Hung Huang

Ching Hui Kuo

February 26, 2021

Independent Auditors' Report

To the Board of Directors and Shareholders of Sonix Technology Co., Ltd.:

Audit opinions

We have audited the accompanying consolidated balance sheets of Sonix Technology Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019, and the related consolidated comprehensive income statements, consolidated statement of changes in shareholders' equity, consolidated cash flow statements, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Information), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sonix Technology Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years ended December 31 2020 and 2019, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

Basis for opinions

We conclude our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Sonix Technology Co., Ltd. and subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2020 consolidated financial statements of Sonix Technology Co., Ltd. and its subsidiaries. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2020 consolidated financial statements of Sonix Technology Co., Ltd. and its subsidiaries are as follows:

Occurrence of operating revenues

Sonix Technology Co., Ltd. and its subsidiaries are mainly engaged in the research and development, design, manufacture and sales of voice chips, microcontrollers, image processing chips, wireless audio and video solutions and optical recognition chips. Due to changes in the environment, the market demand for some products of Sonix Technology Co., Ltd. and subsidiaries has increased, and changes in sales revenues have a significant impact on SONIX's and its subsidiaries' financial statements for the year. There is a risk that the revenues recognized may not meet the criteria of International Financial Reporting. Accordingly, we have identified the occurrence of operating revenues from certain products as a key audit matter in our audit for this year. Please refer to Note 4 to the consolidated financial statements for the accounting policies and relevant disclosures related to operating revenues.

The key audit procedures performed by us in respect of the above key audit matter are as follows:

Understand and test the design and effectiveness of key internal controls related to operating revenues.

We select samples from sales details, examine original certificates such as customer orders, shipment documents and invoices, and verify the receipt of payments to confirm whether there are any abnormalities in the occurrence of operating revenues.

Other information

In the consolidated financial statements referred to in the first paragraph, the 2019 financial statements of PARADIGM VENTURE CAPITAL COMPANY, which is an investment accounted for under the equity method, were audited by other CPAs. Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the equity method investment in the investee and its investment gain or loss and the related information of the investment, is based on the audit report of other auditors. As of December 31, 2019, the balance of the above investments under the equity method, which were not audited by us, amounted to NT\$7,836 thousand, representing 0.22% of the total consolidated assets of Sonix Technology Co., Ltd. and its subsidiaries. The share of comprehensive income of the above-mentioned equity-method

investees not audited by us amounted to NT\$(66) thousand, representing (0.02%) of the consolidated total comprehensive income of Sonix Technology Co., Ltd. and its subsidiaries

Sonix Technology Co., Ltd. has prepared the standalone financial statements for the years ended December 31, 2020 and 2019, We have issued an audit report with unqualified opinion and other matters paragraph on record for reference.

Responsibilities of Management and Those in Charge with Governance of the Consolidated Financial Statements

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is also responsible for assessing the ability of Sonix Technology Co., Ltd. and its subsidiaries as a going concern, disclosing as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate Sonix Technology Co., Ltd. and its subsidiaries or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the supervisors) are responsible for overseeing the reporting process of the financial statements of Sonix Technology Co., Ltd. and its subsidiaries.

Auditor's 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 auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design, and perform countermeasures for assessed

risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement due to fraud is higher than that due to 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 internal control effective in Sonix Technology Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sonix Technology Co., Ltd. and subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. Future events or conditions may cause Sonix Technology Co., Ltd. and its subsidiaries to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated 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 or the entities or business activities of Sonix Technology Co., Ltd. and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. 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 in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

Based on our communications with the governing units, we have determined the key audit matters that are relevant to our audit of the consolidated financial statements of Sonix Technology Co., Ltd. and its subsidiaries for the year ended December 31, 2020. We describe these matters in our auditor's 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 Tung-Feng Lee and Yao-Ling Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 26, 2021

Sonix Technology Co., Ltd. and subsidiaries
Consolidated balance sheets
December 31, 2020 and 2019

Unit: Thousand NT\$

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%.	Amount	%.
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,481,511	29	\$ 724,611	20
1110	Financial assets at fair value through profit or loss - current (Note 4)	65,818	1	128,242	4
1136	Financial assets measured at amortized cost - current (Notes 4, 8 and 25)	373,452	8	293,495	8
1170	Notes and accounts receivable, net (Notes 4, 9 and 24)	664,814	13	405,982	11
130X	Net inventories (Notes 4, 5 and 10)	915,940	18	668,976	18
1470	Other current assets	47,463	1	59,128	2
11XX	Total current assets	<u>3,548,998</u>	<u>70</u>	<u>2,280,434</u>	<u>63</u>
	Noncurrent assets				
1517	Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 7)	537,651	11	346,200	9
1550	Investments accounted for using the equity method (Notes 4 and 12)	7,661	-	7,836	-
1600	Property, plant and equipment (Notes 4, 13 and 25)	751,930	15	756,572	21
1760	Investment property (Notes 4 and 14)	126,056	2	128,477	4
1780	Intangible assets (Notes 4 and 15)	67,554	1	56,365	2
1840	Deferred tax assets (Notes 4 and 20)	47,844	1	36,471	1
1920	Refundable deposits	4,675	-	5,508	-
1990	Other noncurrent assets	-	-	18,963	-
15XX	Total noncurrent assets	<u>1,543,371</u>	<u>30</u>	<u>1,356,392</u>	<u>37</u>
1XXX	Total assets	<u>\$ 5,092,369</u>	<u>100</u>	<u>\$ 3,636,826</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2170	Accounts payables	\$ 494,841	10	\$ 243,840	7
2200	Other payables (Note 16)	346,820	7	218,413	6
2230	Current income tax liabilities (Notes 4 and 20)	164,366	3	37,433	1
2399	Other current liabilities	13,188	-	19,671	-
21XX	Total current liabilities	<u>1,019,215</u>	<u>20</u>	<u>519,357</u>	<u>14</u>
	Noncurrent liabilities				
2551	Reserves for employee benefit liabilities (Note 4)	23,532	1	8,572	-
2570	Deferred tax liabilities (Notes 4 and 20)	15,621	-	10	-
2640	Net defined benefit liabilities (Notes 4 and 17)	22,835	-	24,137	1
2645	Deposits received	113,306	2	74,546	2
25XX	Total noncurrent liabilities	<u>175,294</u>	<u>3</u>	<u>107,265</u>	<u>3</u>
2XXX	Total liabilities	<u>1,194,509</u>	<u>23</u>	<u>626,622</u>	<u>17</u>
	Equity				
	Capital stock				
3110	Common stock	1,678,770	33	1,678,770	46
3200	Capital surplus - premium on issuance of shares	62,661	1	62,661	2
	Retained earnings				
3310	Legal reserve	903,337	18	869,185	24
3320	Special reserve	67,297	1	121,110	3
3350	Unappropriated earnings	1,038,500	21	345,547	10
3300	Total retained earnings	<u>2,009,134</u>	<u>40</u>	<u>1,335,842</u>	<u>37</u>
3400	Other equity	147,295	3	(67,069)	(2)
3XXX	Total equity	<u>3,897,860</u>	<u>77</u>	<u>3,010,204</u>	<u>83</u>
	Total liabilities and equity	<u>\$ 5,092,369</u>	<u>100</u>	<u>\$ 3,636,826</u>	<u>100</u>

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd. and subsidiaries

Consolidated income statements

January 1 to December 31, 2020 and 2019

Unit: Thousands NT\$, but earnings per share are in NT\$)

Code		2020		2019	
		Amount	%.	Amount	%.
4000	Operating revenues (Notes 4 and 24)	\$ 5,370,626	100	\$ 3,234,503	100
5000	Operating costs (Notes 10 and 19)	<u>3,088,156</u>	<u>58</u>	<u>1,945,279</u>	<u>60</u>
5900	Operating gross profits	<u>2,282,470</u>	<u>42</u>	<u>1,289,224</u>	<u>40</u>
	Operating expenses (Notes 9, 15, 17, 19 and 24)				
6100	Marketing expenses	84,494	2	73,051	2
6200	Administrative expenses	189,665	3	153,388	5
6300	R&D expenses	772,242	14	700,909	22
6450	Reversal gain of expected credit impairment loss	(<u>94</u>)	<u>-</u>	(<u>331</u>)	<u>-</u>
6000	Total operating expenses	<u>1,046,307</u>	<u>19</u>	<u>927,017</u>	<u>29</u>
6900	Operating net profits	<u>1,236,163</u>	<u>23</u>	<u>362,207</u>	<u>11</u>
	Non-operating incomes and expenses				
7010	Other incomes (Notes 19 and 24)	25,040	1	30,877	1
7020	Other gains and losses (Notes 19 and 26)	(<u>33,273</u>)	(<u>1</u>)	(<u>6,391</u>)	<u>-</u>
7060	Share of profit or loss of affiliates accounted for under the equity method (Notes 4 and 12)	521	-	(<u>66</u>)	<u>-</u>
7100	Interest incomes (Note 19)	<u>9,771</u>	<u>-</u>	<u>8,609</u>	<u>-</u>
7000	Total non-operating incomes and expenses	<u>2,059</u>	<u>-</u>	<u>33,029</u>	<u>1</u>
7900	Net profits before tax	1,238,222	23	395,236	12
7950	Income tax expenses (Notes 4 and 20)	<u>212,621</u>	<u>4</u>	<u>53,714</u>	<u>2</u>
8200	Net profits for the year	<u>1,025,601</u>	<u>19</u>	<u>341,522</u>	<u>10</u>

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Code		2020		2019	
		Amount	%.	Amount	%.
	Other comprehensive Income				
	Items not to be reclassified as profit or loss				
8311	Remeasurement of defined benefit plan (Note 4 and 17)	\$ 291	-	\$ 2,070	-
8316	Unrealized valuation gains on investments in equity instruments measured at fair value through other comprehensive income	199,560	4	86,024	3
8320	Share of other comprehensive income of affiliated companies and joint ventures recognized under the equity method	(696)	-	(999)	-
8349	Income tax related to items not to be reclassified (Note 20)	(58)	-	(414)	-
8310		<u>199,097</u>	<u>4</u>	<u>86,681</u>	<u>3</u>
	Items that may be reclassified as profit or loss subsequently				
8361	Exchange differences on translation of financial statements of foreign operations	<u>15,500</u>	<u>-</u>	<u>(31,212)</u>	<u>(1)</u>
8300	Other comprehensive Income for the year	<u>214,597</u>	<u>4</u>	<u>55,469</u>	<u>2</u>
8500	Total comprehensive Income for the year	<u>\$ 1,240,198</u>	<u>23</u>	<u>\$ 396,991</u>	<u>12</u>
	Earnings per share (Note 21)				
9750	Basic	<u>\$ 6.11</u>		<u>\$ 2.03</u>	
9850	Diluted	<u>\$ 5.98</u>		<u>\$ 2.00</u>	

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd. and subsidiaries
Consolidated statements of changes in equity
January 1 to December 31, 2020 and 2019

Unit: Thousand NT\$

Code	Capital stock (Note 18)		Capital surplus - premium on issuance of shares (Note 18)	Retained earnings (Note 18)			Other equity (Notes 4 and 18)		Total	Total equity
	Capital stocks (thousand shares)	Amount		Legal reserve	Special reserve	Unappropriated earnings	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations (\$		
A1	167,877	\$ 1,678,770	\$ 936,044	\$ 21,894	\$ 383,910	\$ 1,341,848	(\$ 43,035)	(\$ 77,847)	(\$ 120,882)	\$ 2,962,397
B1	-	-	33,867	-	(33,867)	-	-	-	-	-
B3	-	-	-	99,216	(99,216)	-	-	-	-	-
B5	-	-	-	-	(248,458)	(248,458)	-	-	-	(248,458)
T1	-	-	(100,726)	-	-	(100,726)	-	-	-	(100,726)
D1	-	-	-	-	341,522	341,522	-	-	-	341,522
D3	-	-	-	-	1,656	1,656	(31,212)	85,025	53,813	55,469
D5	-	-	-	-	343,178	343,178	(31,212)	85,025	53,813	396,991
Z1	167,877	1,678,770	869,185	121,110	345,547	1,335,842	(74,247)	7,178	(67,069)	3,010,204
B1	-	-	34,152	-	(34,152)	-	-	-	-	-
B3	-	-	-	(53,813)	53,813	-	-	-	-	-
B5	-	-	-	-	(352,542)	(352,542)	-	-	-	(352,542)
D1	-	-	-	-	1,025,601	1,025,601	-	-	-	1,025,601
D3	-	-	-	-	233	233	15,500	198,864	214,364	214,597
D5	-	-	-	-	1,025,834	1,025,834	15,500	198,864	214,364	1,240,198
Z1	167,877	\$ 1,678,770	\$ 903,337	\$ 67,297	\$ 1,038,500	\$ 2,009,134	(\$ 58,747)	\$ 206,042	\$ 147,295	\$ 3,897,860

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd. and subsidiaries
Consolidated cash flow statements
January 1 to December 31, 2020 and 2019

Unit: Thousand NT\$

Code		2020	2019
	Cash flow from operating activities		
A10000	Net profits before tax	\$ 1,238,222	\$ 395,236
A20010	Income and expense items		
A20100	Depreciation expenses	81,929	59,773
A20200	Amortization expenses	14,311	17,308
A20300	Reversal gain of expected credit impairment loss	(94)	(331)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	1,928	(2,397)
A21200	Interest incomes	(9,771)	(8,609)
A21300	Dividend incomes	(5,541)	(8,546)
A22300	Share of profit or loss of affiliated companies under the equity method	(521)	66
A22500	Loss on disposal of Property, plant and equipment	1	103
A22700	Gain on disposal of investment property	-	(7,669)
A23700	Loss on decline in value of inventories and loss on scraps	12,292	1,518
A24100	Net foreign currency exchange loss (gain)	(3,736)	100
A30000	Net change in operating assets and liabilities		
A31150	Notes and accounts receivable	(261,040)	(21,866)
A31200	Inventories	(259,323)	(102,867)
A31240	Other current assets	8,067	(16,765)
A32150	Accounts payables	251,642	64,462
A32180	Other payables	130,314	10,951
A32200	Reserves for employee benefit liabilities	14,960	2,427
A32230	Other current liabilities	(6,439)	7,973
A32240	Net defined benefit liabilities	(1,011)	(892)
A33000	Cash generated from operations	1,206,190	389,975
A33100	Interests received	10,130	9,429
A33200	Dividends received	13,852	22,788
A33500	Income tax paid	(78,392)	(57,853)
AAAA	Net cash inflow from operating activities	<u>1,151,780</u>	<u>364,339</u>

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Code		2020	2019
	Cash flow from investment activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 79,896)	(\$ 104,968)
B00100	Acquisition of financial assets at fair value through profit or loss	(90,000)	(100,000)
B00200	Sale of financial assets at fair value through profit or loss	150,496	151,514
B02700	Purchase of property, plant and equipment	(68,525)	(52,728)
B02800	Proceeds from disposal of Property, plant and equipment	-	14
B03800	Decrease in refundable deposits	420	492
B04500	Purchase of intangible assets	(25,477)	(13,853)
B05500	Proceeds from disposal of investment property	-	35,978
B06700	Decrease (increase) in other noncurrent assets	<u>18,963</u>	(<u>18,879</u>)
BBBB	Net cash outflow from investment activities	(<u>94,019</u>)	(<u>102,430</u>)
	Cash flow from financing activities		
C03000	Collection of deposits received	42,120	15,356
C04500	Payment of cash dividends	(<u>352,542</u>)	(<u>349,184</u>)
CCCC	Net cash outflow from financing activities	(<u>310,422</u>)	(<u>333,828</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>9,561</u>	<u>4,182</u>
EEEE	Net increase (decrease) in cash and cash equivalents	756,900	(67,737)
E00100	Cash and cash equivalents at the beginning of the year	<u>724,611</u>	<u>792,348</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,481,511</u>	<u>\$ 724,611</u>

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Independent Auditor's Report

To the Board of Directors and Shareholders of Sonix Technology Co., Ltd.:

Audit opinions

We have audited the accompanying standalone balance sheets of Sonix Technology Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019, and the related standalone comprehensive income statements, standalone statement of changes in shareholders' equity, standalone cash flow statements, and notes to the standalone financial statements (including significant accounting policies) for the years then ended.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Information), the standalone financial statements referred to above present fairly, in all material respects, the financial position of Sonix Technology Co., Ltd. as of December 31, 2020 and 2019, and its standalone financial performance and cash flows for the years ended December 31 2020 and 2019, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers.

Basis for opinions

We conclude our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the standalone financial statements. We are independent of Sonix Technology Co., Ltd. in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2020 standalone financial statements of Sonix Technology Co., Ltd. These matters were addressed in the content of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2019 and {3}2020{4} standalone financial statements of {1}Sonix Technology Co., Ltd.{2} are as follows:

Occurrence of operating revenues

Sonix Technology Co., Ltd. is mainly engaged in the research and development, design, manufacture and sales of voice chips, microcontrollers, image processing chips, wireless audio and video solutions and optical recognition chips. Due to changes in the environment, the market demand for some products of Sonix Technology Co., Ltd. has increased, and changes in sales revenues have a significant impact on SONIX's financial statements for the year. There is a risk that the revenues recognized may not meet the criteria of International Financial Reporting. Accordingly, we have identified the occurrence of operating revenues from certain products as a key audit matter in our audit for this year. Please refer to Note 4 to the consolidated financial statements for the accounting policies and relevant disclosures related to operating revenues.

The key audit procedures performed by us in respect of the above key audit matter are as follows:

- . Understand and test the design and effectiveness of key internal controls related to operating revenues.

We select samples from sales details, examine original certificates such as customer orders, shipment documents and invoices, and verify the receipt of payments to confirm whether there are any abnormalities in the occurrence of operating revenues.

Other information

In the 2019 standalone financial statements referred to in the first paragraph, the 2019 financial statements of Jianmao Investment Co., Ltd., an equity-method investment of the investee of the Company, PARADIGM VENTURE CAPITAL COMPANY, which is accounted for under the equity method, were audited by other CPAs. Accordingly, our opinion on the standalone financial statements referred to above, which relates to the equity method investment in the investee and its investment gain or loss and the related information of the investment, is based on the audit report of other auditors. As of December 31, 2019, the balance of the above investments under the equity method, which were not audited by us, amounted to NT\$7,836 thousand, representing 0.22% of the total assets of Sonix Technology Co., Ltd. The share of comprehensive income of the above-mentioned equity-method investees not audited by us amounted to NT\$(66) thousand, representing (0.02%) of the total comprehensive income of Sonix Technology Co., Ltd.

Responsibilities of Management and Those in Charge with Governance of the Standalone Financial Statements

The management is responsible for the preparation and fair presentation of the standalone

financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the standalone financial statements to be free from material misstatement whether due to fraud or error.

In preparing the standalone financial statements, the management is also responsible for assessing the ability of Sonix Technology Co., Ltd. as a going concern, disclosing as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate Sonix Technology Co., Ltd. or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the supervisors) are responsible for overseeing the reporting process of the financial statements of Sonix Technology Co., Ltd.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement due to fraud is higher than that due to 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 internal control effective in Sonix Technology Co., Ltd.

3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sonix Technology Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, Future events or conditions may cause Sonix Technology Co., Ltd. to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the standalone statements, including related notes, whether the standalone 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 or the entities or business activities of Sonix Technology Co., Ltd. to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the audit of Sonix Technology Co., Ltd. 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 in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

Based on our communications with the governing units, we have determined the key audit matters that are relevant to our audit of the standalone financial statements of Sonix Technology Co., Ltd. for the year ended December 31, 2020. We describe these matters in our auditor's 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 Tung-Feng

Lee and Yao-Ling Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 26, 2021

Sonix Technology Co., Ltd.
Standalone balance sheets
December 31, 2020 and 2019

Unit: Thousand NT\$

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%.	Amount	%.
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,012,971	20	\$ 473,938	13
1110	Financial assets at fair value through profit or loss - current (Note 4)	23,911	1	87,253	2
1136	Financial assets measured at amortized cost - current (Notes 4, 8 and 24)	255,143	5	254,627	7
1170	Notes and accounts receivable, net (Notes 4 and 9)	330,119	7	274,065	8
1180	Notes and accounts receivable - related party (Notes 4 and 23)	333,979	7	151,589	4
130X	Net inventories (Notes 4, 5 and 10)	668,337	13	527,462	15
1470	Other current assets (Note 23)	42,221	1	39,958	1
11XX	Total current assets	<u>2,666,681</u>	<u>54</u>	<u>1,808,892</u>	<u>50</u>
	Noncurrent assets				
1517	Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 7)	524,530	11	333,281	9
1550	Investments accounted for using the equity method (Notes 4 and 11)	1,202,110	24	882,356	25
1600	Property, plant and equipment (Notes 4, 12 and 24)	351,898	7	365,256	10
1760	Investment property (Notes 4 and 13)	115,320	2	116,489	3
1780	Intangible assets (Notes 4 and 14)	65,831	1	53,718	2
1840	Deferred tax assets (Notes 4 and 19)	47,181	1	35,328	1
1920	Refundable deposits	4,327	-	4,525	-
15XX	Total noncurrent assets	<u>2,311,197</u>	<u>46</u>	<u>1,790,953</u>	<u>50</u>
1XXX	Total assets	<u>\$ 4,977,878</u>	<u>100</u>	<u>\$ 3,599,845</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2170	Accounts payables	\$ 327,765	7	\$ 202,242	6
2200	Other payables (Note 15)	315,986	6	199,736	5
2230	Current income tax liabilities (Notes 4 and 19)	158,931	3	37,433	1
2399	Other current liabilities	135,399	3	74,955	2
21XX	Total current liabilities	<u>938,081</u>	<u>19</u>	<u>514,366</u>	<u>14</u>
	Noncurrent liabilities				
2551	Reserves for employee benefit liabilities (Note 4)	23,532	1	8,572	-
2570	Deferred tax liabilities (Notes 4 and 19)	15,606	-	-	-
2640	Net defined benefit liabilities (Notes 4 and 16)	22,835	-	24,137	1
2645	Deposits received	79,964	2	42,566	1
25XX	Total noncurrent liabilities	<u>141,937</u>	<u>3</u>	<u>75,275</u>	<u>2</u>
2XXX	Total liabilities	<u>1,080,018</u>	<u>22</u>	<u>589,641</u>	<u>16</u>
	Equity				
	Capital stock				
3110	Common stock	1,678,770	34	1,678,770	47
3200	Capital surplus - premium on issuance of shares	62,661	1	62,661	2
	Retained earnings				
3310	Legal reserve	903,337	18	869,185	24
3320	Special reserve	67,297	1	121,110	3
3350	Unappropriated earnings	1,038,500	21	345,547	10
3300	Total retained earnings	<u>2,009,134</u>	<u>40</u>	<u>1,335,842</u>	<u>37</u>
3400	Other equity	147,295	3	(67,069)	(2)
3XXX	Total equity	<u>3,897,860</u>	<u>78</u>	<u>3,010,204</u>	<u>84</u>
	Total liabilities and equity	<u>\$ 4,977,878</u>	<u>100</u>	<u>\$ 3,599,845</u>	<u>100</u>

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd.
Standalone income statements
January 1 to December 31, 2020 and 2019

Unit: Thousands NT\$, but earnings per share are in NT\$)

Code		2020		2019	
		Amount	%.	Amount	%.
4000	Operating revenues (Notes 4 and 23)	\$ 4,461,447	100	\$ 2,837,070	100
5000	Operating costs (Notes 10, 18 and 23)	<u>2,589,075</u>	<u>58</u>	<u>1,730,186</u>	<u>61</u>
5900	Operating gross profits	1,872,372	42	1,106,884	39
5910	Unrealized gains with subsidiaries (Note 4)	(<u>60,167</u>)	(<u>1</u>)	(<u>15,341</u>)	<u>-</u>
5950	Realized operating gross profits	<u>1,812,205</u>	<u>41</u>	<u>1,091,543</u>	<u>39</u>
	Operating expenses (Notes 14, 16, 18 and 23)				
6100	Marketing expenses	72,410	2	59,202	2
6200	Administrative expenses	143,499	3	107,859	4
6300	R&D expenses	666,383	15	596,747	21
6450	Reversal gain of expected credit impairment loss	(<u>94</u>)	<u>-</u>	(<u>331</u>)	<u>-</u>
6000	Total operating expenses	<u>882,198</u>	<u>20</u>	<u>763,477</u>	<u>27</u>
6900	Operating net profits	<u>930,007</u>	<u>21</u>	<u>328,066</u>	<u>12</u>
	Non-operating incomes and expenses				
7010	Other incomes (Notes 18 and 23)	21,487	-	24,862	1
7020	Other gains and losses (Notes 18 and 25)	(<u>46,343</u>)	(<u>1</u>)	(<u>2,192</u>)	<u>-</u>
7070	Share of profit or loss of subsidiaries and affiliates accounted for under the equity method (Note 11)	304,950	7	39,112	1
7100	Interest incomes (Note 18)	<u>6,576</u>	<u>-</u>	<u>5,825</u>	<u>-</u>
7000	Total non-operating incomes and expenses	<u>286,670</u>	<u>6</u>	<u>67,607</u>	<u>2</u>

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Code		2020		2019	
		Amount	%.	Amount	%.
7900	Net profits before tax	\$ 1,216,677	27	\$ 395,673	14
7950	Income tax expenses (Notes 4 and 19)	191,076	4	54,151	2
8200	Net profits for the year	1,025,601	23	341,522	12
	Other comprehensive Income				
	Items not to be reclassified as profit or loss				
8311	Remeasurement of defined benefit plan (Note 4 and 16)	291	-	2,070	-
8316	Unrealized valuation gains on investments in equity instruments measured at fair value through other comprehensive income	199,560	5	86,024	3
8320	Share of other comprehensive income of affiliated companies and joint ventures recognized under the equity method	(696)	-	(999)	-
8349	Income tax related to items not to be reclassified (Note 19)	(58)	-	(414)	-
8310		199,097	5	86,681	3
	Items that may be reclassified as profit or loss subsequently				
8380	Share of other comprehensive income of subsidiaries and affiliated companies using the equity method	15,500	-	(31,212)	(1)
8300	Other comprehensive Income for the year	214,597	5	55,469	2
8500	Total comprehensive Income for the year	\$ 1,240,198	28	\$ 396,991	14
	Earnings per share (Note 20)				
9710	Basic	\$ 6.11		\$ 2.03	
9810	Diluted	\$ 5.98		\$ 2.00	

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd.

Standalone statements of changes in equity
January 1 to December 31, 2020 and 2019

Unit: Thousand NT\$

Code	Capital stock (Note 17)		Capital surplus - premium on issuance of shares	Retained earnings (Note 17)				Other equity (Notes 4 and 17)				Total equity
	Shares (thousands)	Amount		(Note 17)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	
A1	167,877	\$ 1,678,770	\$ 62,661	\$ 936,044	\$ 21,894	\$ 383,910	\$ 1,341,848	(\$ 43,035)	(\$ 77,847)	(\$ 120,882)	\$ 2,962,397	
Appropriation and distribution of 2018 earnings												
B1	-	-	-	33,867	-	(33,867)	-	-	-	-	-	-
B3	-	-	-	-	99,216	(99,216)	-	-	-	-	-	-
B5	-	-	-	-	-	(248,458)	(248,458)	-	-	-	(248,458)	-
T1	-	-	-	(100,726)	-	-	(100,726)	-	-	-	(100,726)	-
D1	-	-	-	-	-	341,522	341,522	-	-	-	341,522	-
D3	-	-	-	-	-	1,656	1,656	(31,212)	85,025	53,813	55,469	-
D5	-	-	-	-	-	343,178	343,178	(31,212)	85,025	53,813	396,991	-
Z1	167,877	1,678,770	62,661	869,185	121,110	345,547	1,335,842	(74,247)	7,178	(67,069)	3,010,204	
Appropriation and distribution of 2019 earnings												
B1	-	-	-	34,152	-	(34,152)	-	-	-	-	-	-
B3	-	-	-	-	(53,813)	53,813	-	-	-	-	-	-
B5	-	-	-	-	-	(352,542)	(352,542)	-	-	-	(352,542)	-
D1	-	-	-	-	-	1,025,601	1,025,601	-	-	-	1,025,601	-
D3	-	-	-	-	-	233	233	15,500	198,864	214,364	214,597	-
D5	-	-	-	-	-	1,025,834	1,025,834	15,500	198,864	214,364	1,240,198	-
Z1	167,877	\$ 1,678,770	\$ 62,661	\$ 903,337	\$ 67,297	\$ 1,038,500	\$ 2,009,134	(\$ 58,747)	\$ 206,042	\$ 147,295	\$ 3,897,860	

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Sonix Technology Co., Ltd.

Standalone cash flow statements

January 1 to December 31, 2020 and 2019

Unit: Thousand NT\$

Code		2020	2019
	Cash flow from operating activities		
A10000	Net profits before tax	\$ 1,216,677	\$ 395,673
A20010	Income and expense items		
A20100	Depreciation expenses	56,991	42,095
A20200	Amortization expenses	13,364	16,331
A20300	Reversal gain of expected credit impairment loss	(94)	(331)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	2,846	(33)
A21200	Interest incomes	(6,576)	(5,825)
A21300	Dividend incomes	(5,541)	(8,546)
A22400	Share of profit or loss of subsidiaries and affiliates accounted for under the equity method	(304,950)	(39,112)
A22700	Gain on disposal of investment property	-	(7,669)
A23700	Loss on decline in value of inventories (reversal gain) and loss on scraps	12,516	(2,270)
A24100	Net foreign currency exchange loss (gain)	(829)	2,648
A30000	Net change in operating assets and liabilities		
A31150	Notes and accounts receivable	(243,228)	(31,233)
A31200	Inventories	(153,391)	(62,826)
A31240	Other current assets	(2,968)	(12,589)
A32150	Accounts payables	126,164	58,465
A32180	Other payables	118,129	11,846
A32200	Reserves for employee benefit liabilities	14,960	2,427
A32230	Other current liabilities	60,488	16,067
A32240	Net defined benefit liabilities	(1,011)	(892)
A33000	Cash generated from operations	903,547	374,226
A33100	Interests received	6,960	6,607
A33200	Dividends received	13,852	22,788
A33500	Income tax paid	(65,883)	(57,967)
AAAA	Net cash inflow from operating activities	<u>858,476</u>	<u>345,654</u>

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Code		2020	2019
	Cash flow from investment activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 516)	(\$ 72,511)
B00100	Acquisition of financial assets at fair value through profit or loss	(90,000)	(100,000)
B00200	Sale of financial assets at fair value through profit or loss	150,496	151,514
B02700	Purchase of property, plant and equipment	(42,464)	(51,637)
B03700	Increase in refundable deposits	(214)	(118)
B04500	Purchase of intangible assets	(25,477)	(13,545)
B05500	Proceeds from disposal of investment property	<u>-</u>	<u>35,978</u>
BBBB	Net cash outflow from investment activities	<u>(8,175)</u>	<u>(50,319)</u>
	Cash flow from financing activities		
C03000	Collection of deposits received	41,274	5,001
C04500	Payment of cash dividends	<u>(352,542)</u>	<u>(349,184)</u>
CCCC	Net cash outflow from financing activities	<u>(311,268)</u>	<u>(344,183)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	539,033	(48,848)
E00100	Cash and cash equivalents at the beginning of the year	<u>473,938</u>	<u>522,786</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,012,971</u>	<u>\$ 473,938</u>

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

(Please refer to the audit report dated February 26, 2021 of Deloitte and Touche)

Chairman: Samuel Chen

General Manager: James Pao

Accounting Manager: Sophia Lin

Comparison of the original and the amended " Article of Incorporation"

Articles after amendments	Current articles	Description:
Chapter 4 Directors and the <u>Audit Committee</u>	Chapter 4 Directors and <u>supervisors</u>	In compliance with the establishment of an audit committee to replace the supervisors.
<p>Article 13: The shareholders of the Company shall have one voting right per share, except for those who have no voting rights under Article <u>179</u> of the Company Act. The shareholders shall be notified of the convening of the regular shareholders' meeting 30 days prior to the meeting, and the shareholders shall be notified of the date, location and reason for the convening of the special shareholders' meeting 15 days prior to the meeting. But the shareholders holding less than 1,000 shares may be notified by public announcement.</p>	<p>Article 13: The shareholders of the Company shall have one voting right per share, except for those who have no voting rights under Article <u>179</u> of the Company Act. The shareholders shall be notified of the convening of the regular shareholders' meeting 30 days prior to the meeting, and the shareholders shall be notified of the date, location and reason for the convening of the special shareholders' meeting 15 days prior to the meeting. But the shareholders holding less than 1,000 shares may be notified by public announcement.</p>	Make textual amendments as appropriate
<p>Article 16: The Company shall have seven to nine directors, who shall serve for a term of three years and shall be eligible for re-election. The total number of shares held by all <u>directors</u> of the Company shall be in accordance with the Company Act and the regulations of the relevant competent authorities. In accordance with the Securities and Exchange Act, the number of independent directors shall not be less than <u>three</u> and shall not be less than one-fifth of the number of directorships. The Company adopts a candidate nomination system for the election of directors, and the nomination of candidates is addressed in accordance with Article <u>192-1</u> of the Company Act. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors should be elected together, but their respective elected</p>	<p>Article 16: The Company shall have seven to nine directors and <u>three supervisors</u>, who shall serve for a term of three years and shall be eligible for re-election. The total number of shares held by all <u>directors</u> and supervisors of the Company shall be in accordance with the Company Act and the regulations of the relevant competent authorities. In accordance with the Securities and Exchange Act, the number of independent directors shall not be less than <u>two</u> and shall not be less than one-fifth of the number of directorships. The Company adopts a candidate nomination system for the election of directors <u>and supervisors</u>, and the nomination of candidates is addressed in accordance with Article 192-1 of the Company Act. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act. Independent directors and non-</p>	In compliance with the establishment of an audit committee to replace the supervisors.

Articles after amendments	Current articles	Description:
numbers shall be calculated separately.	independent directors should be elected together, but their respective elected numbers shall be calculated separately.	
<p>Article 16-1: The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.</p>	<p>Article 16-1: The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. <u>The foregoing provisions shall apply from the date of election of the independent directors by the shareholders at the annual regular meeting in 2021, and the Audit Committee shall replace the Supervisors' duties and responsibilities from the date of establishment of the Audit Committee, and the supervisor system shall be abolished.</u></p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 16-2: <u>The composition, authority, rules of procedure and other matters to be followed by the Audit Committee of the Company shall be in accordance with the relevant regulations of the competent securities authorities.</u></p>	<p>Article 16-2: <u>All provisions of the Articles of Incorporation relating to the Supervisors shall cease to apply upon the effective date of Article 16-1 of the Articles of Incorporation.</u></p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 17: If the number of director vacancies reaches one-third or <u>all independent directors</u> are dismissed, the Board of Directors shall convene a special shareholders' meeting within 60 days to hold a by-election, and the term of office shall be limited to the original term of office.</p>	<p>Article 17: If the number of director vacancies reaches one-third or <u>all supervisors</u> are dismissed, the Board of Directors shall convene a special shareholders' meeting within 60 days to hold a by-election, and the term of office shall be limited to the original term of office.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 18: When the term of office of directors expires before re-election, their authorities and duties shall be extended until the re-elected directors take office. However, the competent authority may order the Company to re-elect within a time limit, and if the re-election does not take place by the end of the time limit, the directors shall be dismissed from office by the end of the time limit.</p>	<p>Article 18: When the term of office of directors <u>and supervisors</u> expires before re-election, their authorities and duties shall be extended until the re-elected directors <u>and supervisors</u> take office. However, the competent authority may order the Company to re-elect within a time limit, and if the re-election does not take place by the end of the time limit, the directors shall be dismissed from office by the end of the time limit.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 19: The directors shall organize board meetings, and a chairperson shall be elected by the presence of at least two-</p>	<p>Article 19: The directors shall organize board meetings, and a chairperson shall be elected by the presence of at least two-</p>	<p>In compliance with the establishment of an audit committee to replace the</p>

Articles after amendments	Current articles	Description:
<p>thirds of the directors and the consent of a majority of the directors present, to carry out all business of the Company in accordance with the laws, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors. The boarding meetings shall be convened with seven days' notice of the reason to all directors But the board meetings may be convened at any time in case of emergency. Notice for the convening of the board meetings can be made in writing, email or fax.</p>	<p>thirds of the directors and the consent of a majority of the directors present, to carry out all business of the Company in accordance with the laws, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors. The boarding meetings shall be convened with seven days' notice of the reason to all directors <u>and supervisors</u>. But the board meetings may be convened at any time in case of emergency. Notice for the convening of the board meetings can be made in writing, email or fax.</p>	<p>supervisors.</p>
<p>Article 23: <u>(Deleted)</u></p>	<p>Article 23: <u>In addition to exercising their monitoring rights alone in accordance with the laws, the supervisors may attend board meetings to present their views, but may not vote.</u></p>	<p>In compliance with the establishment of an audit committee to replace the supervisors, this article is deleted.</p>
<p>Article 24: The Company's directors shall be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to industry standards.</p>	<p>Article 24: The Company's directors <u>and supervisors</u> shall be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to industry standards.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 24-1: The Company may purchase liability insurance for directors during their term of office in respect of their legal liability to perform the scope of their business.</p>	<p>Article 24-1: The Company may purchase liability insurance for directors <u>and supervisors</u> during their term of office in respect of their legal liability to perform the scope of their business.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 27: At the end of the fiscal year, the Board of Directors shall prepare the following reports and submit them to the regular shareholders' meeting for adoption <u>in accordance with the law</u>: (1) business report (2) financial statements (3) earnings distribution proposal or loss make-up proposal.</p>	<p>Article 27: At the end of the fiscal year, the Board of Directors <u>shall</u> prepare the following reports and <u>submit them to the Supervisors for verification 30 days prior</u> to the regular shareholders' meeting for adoption: (1) business report (2) financial statements (3) earnings distribution proposal or loss make-up proposal.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 28: If the Company makes a profit in a year, which is defined as profit before tax before the distribution of employee remuneration and <u>director</u> remuneration, no less than 10% of the profit shall be allocated as employee remuneration and no more than 5% to <u>director</u> remuneration. However, if the Company still has accumulated losses (including the</p>	<p>Article 28: If the Company makes a profit in a year, which is defined as profit before tax before the distribution of employee remuneration and director <u>and supervisor</u> remuneration, no less than 10% of the profit shall be allocated as employee remuneration and no more than 5% to director <u>and supervisor</u> remuneration. However, if the Company still has</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
<p>adjustment to unappropriated earnings), the amount of loss make-up should be reserved in advance.</p> <p>The aforementioned employee remuneration may be in the form of stock or cash and may be paid to employees of the controlling company or subordinate companies who meet the conditions set by the Board of Directors. The aforementioned <u>director</u> remuneration can only be in the form of cash.</p> <p>The previous two shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p> <p><u>Prior to the establishment of the Audit Committee of the Company, the supervisor remuneration was based on the distribution of director remuneration of the first three paragraphs of this Article.</u></p>	<p>accumulated losses (including the adjustment to unappropriated earnings), the amount of loss make-up should be reserved in advance.</p> <p>The aforementioned employee remuneration may be in the form of stock or cash and may be paid to employees of the controlling company or subordinate companies who meet the conditions set by the Board of Directors. The aforementioned <u>director and supervisor</u> remuneration can only be in the form of cash.</p> <p>The previous two shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	
<p>Article 30: The Articles were established on July 1, 1996. (Omitted) The 19th amendment was made on June 16, 2020. <u>The 20th amendment was made on June 16, 2021.</u></p>	<p>Article 30: The Articles were established on July 1, 1996. (Omitted) The 19th amendment was made on June 16, 2020.</p>	<p>The date of this amendment was added.</p>

Comparison of the original and the amended "Procedures for Election of Directors and Supervisors"

Articles after amendments	Current articles	Description:
Name: Procedure for Election of Directors	Name: Procedures for Election of Directors <u>and Supervisors</u>	In compliance with the establishment of an audit committee to replace the supervisors.
Article 1: The election of directors of the Company shall be conducted in accordance with the provisions of the Procedure.	Article 1: The election of directors <u>and supervisors</u> of the Company shall be conducted in accordance with the provisions of the Procedure.	In compliance with the establishment of an audit committee to replace the supervisors.
Article 2: The Company's directors are elected by the single cumulative registered voting system and each share shall have the same number of voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates	Article 2: The Company's directors <u>and supervisors</u> are elected by the single cumulative registered voting system and each share shall have the same number of voting rights as the number of directors <u>and supervisors</u> to be elected, which may be cast collectively for a single candidate or split among several candidates	In compliance with the establishment of an audit committee to replace the supervisors.
Article 3: <u>The election of the Company's directors shall be conducted in accordance with the procedures of the candidate nomination system set forth in Article 192-1 of the Company Act.</u> The number of <u>directors will be as</u> specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.	Article 3: <u>The directors and supervisors of the Company shall be elected by the shareholders' meeting from those who have the capacity to act.</u> The number of directors and directors will be <u>as specified in</u> the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When <u>two or more</u> persons <u>receive</u> the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.	In compliance with the establishment of an audit committee to replace the supervisors.
Article 4: The Board of Directors should prepare election ballots corresponding to the number of directors to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholders' meeting.	Article 4: The Board of Directors should prepare election ballots corresponding to the number of directors <u>and supervisors</u> to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholders'	In compliance with the establishment of an audit committee to replace the supervisors.

Articles after amendments	Current articles	Description:
Attendance card numbers printed on the ballots may be used instead of recording the names of candidates.	meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of candidates.	
Article 5: Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties. <u>The vote monitoring personnel shall have the status of shareholders.</u>	Article 5: Before the election begins, the chair should appoint a number of persons <u>with shareholder status</u> as vote monitoring and counting personnel to perform the respective duties.	Make textual amendments as appropriate
(Deleted)	<u>Article 7:</u> <u>If a candidate is a shareholder, voters must indicate the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the candidate's name and identification number should be indicated. However, when the candidate is a governmental or a corporation, the name of the governmental or the corporation should be indicated in the column for the candidate's account name on the ballot, or both the name of the government or the corporation and the name of its representative can be indicated. When there are several representatives, the name of each representative should be indicated respectively.</u>	This article was deleted.
Article 7: A ballot is invalid if one of the following is true: I. Do not use ballots <u>prepared by persons with the convening right.</u> II. The names of the persons to be elected do not match <u>with the list of director candidates</u> after verification. III. In addition to the account number (name) of the candidate, other words are included. IV. Put void <u>ballots</u> into the ballot box. V. The handwriting is blurred and unrecognizable or has been altered. VI. <u>If two or more candidates are filled in at the same time.</u>	Article 8: A ballot is invalid if one of the following is true: I. Do not use ballots prepared by the <u>Board of Directors.</u> II. If the person to be elected <u>is a shareholder, his or her account name or shareholder account number does not match with the shareholder roster; if the person to be elected is not a shareholder, his or her name and identification number</u> do not match after verification. III. In addition to the account name <u>and shareholder account number (identification number) of the person to be elected and the number of voting rights allocated,</u> other words are included. IV. Put void ballots into the ballot box. V. The handwriting is blurred <u>and unrecognizable or</u> has been altered.	Article order change. Make textual amendments as appropriate for practical operations.

Articles after amendments	Current articles	Description:
	<p><u>VI. The name of the person to be elected is the same as that of other shareholders without the shareholder's account number or identification number to discern them.</u></p>	
(Deleted)	<p><u>Article 9:</u> <u>One ballot box for each of the election of directors and supervisors will be set up for voting.</u></p>	<p>This article was deleted.</p>
<p>Article <u>8</u>: The chair will <u>announce</u> the names of the elected directors on the spot after the voting.</p>	<p>Article <u>10</u>: The chair will <u>announce</u> the names of the elected directors <u>and supervisors</u> on the spot after the voting.</p>	<p>Article order change. In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article <u>9</u>: The Board of Directors of the company shall issue a notice of election to the elected directors.</p>	<p>Article <u>11</u>: The Board of Directors of the company shall issue a notice of election to the elected directors <u>and supervisors</u>.</p>	<p>Article order change. In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article <u>10</u>: All matters not provided for in the Procedure shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.</p>	<p>Article <u>12</u>: All matters not provided for in the Procedure shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.</p>	<p>Article order change.</p>
<p>Article <u>11</u>: The Procedure shall come into effect upon the approval of the shareholders' meeting and the same applies to amendments.</p>	<p>Article <u>13</u>: The Procedure shall come into effect upon the approval of the shareholders' meeting and the same applies to amendments.</p>	<p>Article order change.</p>
<p>Article <u>12</u>: The Procedure was established on April 10, 1999. The 1st <u>amendment</u> was made on May 29, 2002. The 2nd <u>amendment</u> was made on June 19, 2008. <u>The 3rd amendment was made on June 16, 2021.</u></p>	<p>Article <u>14</u>: The Procedure was established on April 10, 1999. The 1st <u>amendment</u> was made on May 29, 2002. The 2nd <u>amendment</u> was made on June 19, 2008.</p>	<p>Article order change. The date of this amendment was added.</p>

Comparison of the original and the amended " Procedures for Acquisition or Disposal Assets"

Articles after amendments	Current articles	Description:
<p>Article 8: Where the Company’s acquisition or disposal of assets should be approved by the Board of Directors in accordance with the Procedures or other legal requirements, the opinions of each independent director shall be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.</p>	<p>Article 8: Where the Company’s acquisition or disposal of assets should be approved by the Board of Directors in accordance with the Procedures or other legal requirements. <u>If any director expresses dissenting opinion and there is a record or written statement, the Company shall send the information of the dissenting opinion of the directors to each supervisor. When the acquisition or disposal of assets is presented to the Board of Directors for discussion,</u> the opinions of the independent directors should be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 12: The Procedures for Acquisition or Disposal of Assets between the Company and its related parties For the acquisition or disposal of assets between the Company and a related party, in addition to handling the relevant resolution procedures and evaluating the reasonableness of the transaction terms in accordance with the regulations, the Company shall obtain an appraisal report from a professional appraiser or an opinion from a CPA if the transaction amount reaches 10% or more of the Company's total assets. When determining whether a counterparty is a related party, the substance of the relationship in addition to the legal form of the relationship should be considered. If the Company acquires or disposes of real estate or right-of-use assets from a related party, or acquires or disposes of assets other than real estate or right-of-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall submit the following information to <u>the Audit Committee and the Board of Directors</u> for approval before signing the transaction contract and making payment, except for the purchase or sale of domestic</p>	<p>Article 12: The Procedures for Acquisition or Disposal of Assets between the Company and its related parties For the acquisition or disposal of assets between the Company and a related party, in addition to handling the relevant resolution procedures and evaluating the reasonableness of the transaction terms in accordance with the regulations, the Company shall obtain an appraisal report from a professional appraiser or an opinion from a CPA if the transaction amount reaches 10% or more of the Company's total assets. When determining whether a counterparty is a related party, the substance of the relationship in addition to the legal form of the relationship should be considered. If the Company acquires or disposes of real estate or right-of-use assets from a related party, or acquires or disposes of assets other than real estate or right-of-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall submit the following information to the Board of Directors <u>and supervisors</u> for approval before signing the transaction contract and making payment, except for the purchase or sale of domestic government bonds, bonds</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
<p>government bonds, bonds with buy-back or sell-back conditions, or the purchase or sale of money market funds issued by domestic securities investment trusts.</p> <p>I. The purpose, necessity and expected benefits of acquiring or disposing of the assets.</p> <p>II. The reason for selecting the related party as the counterparty.</p> <p>III. Information on the acquisition of real estate or right-of-use assets from a related party and the evaluation of the reasonableness of the predetermined transaction terms in accordance with relevant regulations.</p> <p>IV. The date and price of the original acquisition by the related party, the counterparty and its relationship with the Company and the related party.</p> <p>V. A cash flow projection for each month of the year commencing from the month in which the contract is expected to be entered into, and an evaluation of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>VI. The appraisal report issued by the professional appraiser obtained in accordance with the regulations, or the opinion of the CPA.</p> <p>VII. Restrictions and other important covenants of the Transaction.</p> <p>The following transactions between the Company and its subsidiaries or subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or total capital, within NT\$400 million, may be resolved by the chairperson and subsequently submitted to the most recent Board of Directors for ratification.</p> <p>I. Acquisition or disposal of equipment or right-of-use assets for business purposes.</p> <p>II. Acquisition or disposal of real estate or right-of-use assets for business purposes.</p> <p>The calculation of the transaction amount shall be made in accordance with the provisions of Article 9, Paragraph 2, and the said one-year period is based on the date of occurrence of the transaction and extrapolated one year backward, and the part that has been submitted to <u>the Audit</u></p>	<p>with buy-back or sell-back conditions, or the purchase or sale of money market funds issued by domestic securities investment trusts.</p> <p>I. The purpose, necessity and expected benefits of acquiring or disposing of the assets.</p> <p>II. The reason for selecting the related party as the counterparty.</p> <p>III. Information on the acquisition of real estate or right-of-use assets from a related party and the evaluation of the reasonableness of the predetermined transaction terms in accordance with relevant regulations.</p> <p>IV. The date and price of the original acquisition by the related party, the counterparty and its relationship with the Company and the related party.</p> <p>V. A cash flow projection for each month of the year commencing from the month in which the contract is expected to be entered into, and an evaluation of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>VI. The appraisal report issued by the professional appraiser obtained in accordance with the regulations, or the opinion of the CPA.</p> <p>VII. Restrictions and other important covenants of the Transaction.</p> <p>The following transactions between the Company and its subsidiaries or subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or total capital, within NT\$400 million, may be resolved by the chairperson and subsequently submitted to the most recent Board of Directors for ratification.</p> <p>I. Acquisition or disposal of equipment or right-of-use assets for business purposes.</p> <p>II. Acquisition or disposal of real estate or right-of-use assets for business purposes.</p> <p>The calculation of the transaction amount shall be made in accordance with the provisions of Article 9, Paragraph 2, and the said one-year period is based on the date of occurrence of the transaction and extrapolated one year backward, and the part that has been submitted to the Board of</p>	

Articles after amendments	Current articles	Description:
<u>Committee and the Board of Directors</u> for approval in accordance with the provisions shall not be counted again.	Directors <u>and supervisors</u> for approval in accordance with the provisions shall not be counted again.	
Article 16: Internal audit system The Company's auditors shall periodically review the appropriateness of internal controls over derivative transactions and audit the trading department's compliance with the procedures for handling derivative transactions on a monthly basis, and shall notify <u>the members of the Audit Committee</u> in writing if significant irregularities are found.	Article 16: Internal audit system The Company's auditors shall periodically review the appropriateness of internal controls over derivative transactions and audit the trading department's compliance with the procedures for handling derivative transactions on a monthly basis, and shall notify <u>the members of supervisors and independent directors</u> in writing if significant irregularities are found.	In compliance with the establishment of an audit committee to replace the supervisors.
Article 24: The procedures shall be implemented after the approval of at least <u>one-half of all members of the Audit Committee and the approval</u> of the Board of Directors, <u>and after the approval</u> of the shareholders' meeting. The same applies to amendments. When the Company submits the Procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors should be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.	Article 24: After the approval of the Board of Directors, the procedures shall <u>be sent to each supervisor and submitted to the shareholders' meeting for approval. If any director expresses dissenting opinions and there is a record or written statement, the Company shall send its dissenting opinions to each supervisor.</u> The same applies to amendments. When the Company submits the Procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors should be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.	In compliance with the establishment of an audit committee to replace the supervisors.
Article 25: The Procedure was established on April 10, 1999. (Omitted) The 10th amendment was made on June 14, 2019. <u>The 11th amendment was made on June 16, 2021.</u>	Article 25: The Procedure was established on April 10, 1999. (Omitted) The 10th amendment was made on June 14, 2019.	The date of this amendment was added.

Comparison of the original and the amended " Procedures for Lending Funds to Other Parties"

Articles after amendments	Current articles	Description:
<p>Article 6: Subsequent control measures for loans made and amounts due, and procedures for handling overdue debts</p> <p>I. Repayment</p> <p>(i) After the loan is granted, the borrower's financial, business, and credit status should be constantly monitored, and if collateral is provided, any changes in the value of the guarantee should be noted. In the event of significant changes, the chairperson should be notified immediately and the instructions for appropriate handling should be followed. Two months prior to the maturity of the loan, the borrower should be notified to repay the principal and interest by the due date or to extend the loan.</p> <p>(ii) When the borrower repays the loan at maturity, the interest payable shall be calculated and repaid together with the principal before the promissory note, IOU, and other debentures are cancelled and returned to the borrower; if the loan is not repaid at maturity, the Company may dispose of the collateral provided by the borrower or recover it from the guarantor in accordance with the laws.</p> <p>(iii) If the borrower applies for cancellation of mortgage or elimination of pledge setting, whether there is a balance of the loan should first be ascertained before deciding whether to grant the application.</p>	<p>Article 6: Subsequent control measures for loans made and amounts due, and procedures for handling overdue debts</p> <p>I. Repayment</p> <p>(i) After the loan is granted, the borrower's financial, business, and credit status should be constantly monitored, and if collateral is provided, any changes in the value of the guarantee should be noted. In the event of significant changes, the chairperson should be notified immediately and the instructions for appropriate handling should be followed. Two months prior to the maturity of the loan, the borrower should be notified to repay the principal and interest by the due date or to extend the loan.</p> <p>(ii) When the borrower repays the loan at maturity, the interest payable shall be calculated and repaid together with the principal before the promissory note, IOU, and other debentures are cancelled and returned to the borrower; if the loan is not repaid at maturity, the Company may dispose of the collateral provided by the borrower or recover it from the guarantor in accordance with the laws.</p> <p>(iii) If the borrower applies for cancellation of mortgage or elimination of pledge setting, whether there is a balance of the loan should first be ascertained before deciding whether to grant the application.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
<p>II. The organization and storage of case files</p> <p>The Company shall establish a record book to note down the counterparty and amount of funds lent, the date approved by the Board of Directors, the date the funds are lent, and the evaluation of the funds lending, and a person shall keep the relevant documents.</p> <p>III. Internal audit</p> <p>The Company's internal auditors shall audit the procedures for lending funds to others and their execution at least quarterly and make written records of such audits, and shall notify the members of the Audit Committee in writing if any material irregularities are found.</p> <p>IV. Over-limit improvement</p> <p>In the event that the Company does not comply with the operating procedures or the balance exceeds the limit due to changes in circumstances, the responsible unit shall formulate an improvement plan and send the relevant improvement plan to the <u>Audit Committee</u> and complete the improvement in accordance with the planned schedule.</p> <p>V. Extension and recovery</p> <p>If a loan is not repaid upon maturity and needs to be extended, a request must be submitted in advance and approved by the Board of Directors, and each extension shall not exceed six months and shall be limited to one time. In the event of default, the Company's authorized unit will take legal action against the collateral provided and proceed with the legal recovery process.</p>	<p>II. The organization and storage of case files</p> <p>The Company shall establish a record book to note down the counterparty and amount of funds lent, the date approved by the Board of Directors, the date the funds are lent, and the evaluation of the funds lending, and a person shall keep the relevant documents.</p> <p>III. Internal audit</p> <p>The Company's internal auditors shall audit the procedures for lending funds to others and their execution at least quarterly and make written records of such audits, and shall notify the members of the supervisors and independent directors in writing if any material irregularities are found.</p> <p>IV. Over-limit improvement</p> <p>In the event that the Company does not comply with the operating procedures or the balance exceeds the limit due to changes in circumstances, the responsible unit shall formulate an improvement plan and send the relevant improvement plan to the <u>supervisors and independent directors</u> and complete the improvement in accordance with the planned schedule.</p> <p>V. Extension and recovery</p> <p>If a loan is not repaid upon maturity and needs to be extended, a request must be submitted in advance and approved by the Board of Directors, and each extension shall not exceed six months and shall be limited to one time. In the event of default, the Company's authorized unit will take legal action against the collateral provided and proceed with the legal recovery process.</p>	

Articles after amendments	Current articles	Description:
<p>Article 8: Announcement and filing procedure Procedures for controlling subsidiaries' lending funds to others</p> <p>I. The Company's subsidiaries shall not lend funds to others without the consent of the Company. If a subsidiary intends to lend funds to others for business purposes, it shall also establish operating procedures for lending funds to others in accordance with the regulations of the FSC and shall follow the prescribed operating procedures.</p> <p>II. When the Company's auditors conduct audits at the subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the subsidiaries' operating procedures for lending funds to others, and if any deficiencies are found, they should continue to track their improvement and make a tracking report to <u>the Audit Committee</u>.</p>	<p>Article 8: Announcement and filing procedure Procedures for controlling subsidiaries' lending funds to others</p> <p>I. The Company's subsidiaries shall not lend funds to others without the consent of the Company. If a subsidiary intends to lend funds to others for business purposes, it shall also establish operating procedures for lending funds to others in accordance with the regulations of the FSC and shall follow the prescribed operating procedures.</p> <p>II. When the Company's auditors conduct audits at the subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the subsidiaries' operating procedures for lending funds to others, and if any deficiencies are found, they should continue to track their improvement and make a tracking report to <u>supervisors and independent directors</u>.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 10: The Operating Procedures shall be implemented <u>after the approval of at least one-half of all members of the Audit Committee and the approval of the Board of Directors, and after the approval of the shareholders' meeting</u>. The same applies to amendments.</p>	<p>Article 10: <u>After the approval of the Board of Directors, the Operating Procedures shall be sent to each supervisor and submitted to the shareholders' meeting for approval. If any director expresses dissenting opinions and there is a record or written statement, the Company shall send its dissenting opinions to each supervisor and present to the shareholders' meeting for discussion.</u> The same applies to amendments. <u>When the Company submits the Operating Procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors should be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.</u></p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 11: The Operating Procedure was established on April 10, 1999. (Omitted) The 9th amendment was made on June 14, 2019. <u>The 10th amendment was made on June 16, 2021.</u></p>	<p>Article 11: The Operating Procedure was established on April 10, 1999. (Omitted) The 9th amendment was made on June 14, 2019.</p>	<p>The date of this amendment was added.</p>

Comparison of the original and the amended " Procedures for Endorsement & Guarantee"

Articles after amendments	Current articles	Description:
<p>Article 5: Decision and authorization hierarchy</p> <p>I. Before endorsing or providing guarantees to others, the Company shall make careful evaluation and submit the evaluation results to the Board of Directors for resolution. However, in order to be timely, the Board of Directors may authorize the general manager to make decisions within 10% of the Company's net worth based on the most recent financial statements, which will be subsequently reported to the most recent board meeting for ratification.</p> <p>II. If, due to business needs, it is necessary for the Company to provide endorsement or guarantee in excess of the limit set forth in the Procedures and if the conditions set forth in these Regulations are met, it should be approved by the Board of Directors and more than half of the directors shall jointly guarantee the Company's potential losses arising from the Over-limit and amend the Procedures for ratification by the shareholders' meeting; if the shareholders' meeting does not agree, a plan shall be formulated to eliminate the over-limit within a certain period of time.</p> <p>III. Before a subsidiary in which the Company directly or indirectly holds 90% or more of the voting shares provides endorsement or guarantee in accordance with Article 3, Paragraph 2, the endorsement or guarantee shall be submitted to the Company's Board of Directors for resolution. However, except for the intercompany endorsement and guarantee between subsidiaries in which the Company directly and indirectly holds 100% of the voting shares.</p> <p>IV. If the Company and its subsidiaries provide endorsement or guarantee for subsidiaries whose net worth is less than one-half of the paid-in capital, the</p>	<p>Article 5: Decision and authorization hierarchy</p> <p>I. Before endorsing or providing guarantees to others, the Company shall make careful evaluation and submit the evaluation results to the Board of Directors for resolution. However, in order to be timely, the Board of Directors may authorize the general manager to make decisions within 10% of the Company's net worth based on the most recent financial statements, which will be subsequently reported to the most recent board meeting for ratification.</p> <p>II. If, due to business needs, it is necessary for the Company to provide endorsement or guarantee in excess of the limit set forth in the Procedures and if the conditions set forth in these Regulations are met, it should be approved by the Board of Directors and more than half of the directors shall jointly guarantee the Company's potential losses arising from the Over-limit and amend the Procedures for ratification by the shareholders' meeting; if the shareholders' meeting does not agree, a plan shall be formulated to eliminate the over-limit within a certain period of time.</p> <p>III. Before a subsidiary in which the Company directly or indirectly holds 90% or more of the voting shares provides endorsement or guarantee in accordance with Article 3, Paragraph 2, the endorsement or guarantee shall be submitted to the Company's Board of Directors for resolution. However, except for the intercompany endorsement and guarantee between subsidiaries in which the Company directly and indirectly holds 100% of the voting shares.</p> <p>IV. If the Company and its subsidiaries provide endorsement or guarantee for subsidiaries whose net worth is less than one-half of the paid-in capital, the</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
<p>finance department shall review the financial position of the subsidiaries, evaluate the risk profile and report to the <u>Audit Committee</u> on a regular basis. If the stock of a subsidiary has no par value or has a par value other than NT\$10 per share, the calculation of paid-in capital shall be based on the sum of capital stock plus capital surplus - issue premium.</p> <p>V. The Board of Directors shall give full consideration to the opinions of the independent directors when discussing the above proposal, and shall include in the minutes of the board meetings the definite opinions of the independent directors in favor of or against the proposal and the reasons for their objections.</p>	<p>finance department shall review the financial position of the subsidiaries, evaluate the risk profile and report to <u>supervisors</u> on a regular basis. If the stock of a subsidiary has no par value or has a par value other than NT\$10 per share, the calculation of paid-in capital shall be based on the sum of capital stock plus capital surplus - issue premium.</p> <p>V. The Board of Directors shall give full consideration to the opinions of the independent directors when discussing the above proposal, and shall include in the minutes of the board meetings the definite opinions of the independent directors in favor of or against the proposal and the reasons for their objections.</p>	
<p>Article 6: Operating Procedures for Endorsement and Guarantee</p> <p>I. The financial department shall examine whether the qualifications and conditions of the counterparty of the endorsement and guarantee are in compliance with the regulations, evaluate the risks of the endorsement and guarantee and whether the collateral is obtained, state the contents, reasons and evaluation results of the endorsement and guarantee, submit them to the general manager for approval, and then proceed with the resolution of the Board of Directors.</p> <p>II. The financial department of the Company shall apply for the use of the seal in accordance with the regulations and establish a record book to record the details of the subject of the endorsement and guarantee, the amount, the date of approval by the Board of Directors or decision by the general manager, the date of the endorsement and guarantee, the matters that should be prudently evaluated in accordance with the provisions of the Procedures, the contents of the collateral and its appraised value, and the conditions and date of the release of the endorsement and guarantee.</p> <p>III. The Company shall assess or recognize</p>	<p>Article 6: Operating Procedures for Endorsement and Guarantee</p> <p>I. The financial department shall examine whether the qualifications and conditions of the counterparty of the endorsement and guarantee are in compliance with the regulations, evaluate the risks of the endorsement and guarantee and whether the collateral is obtained, state the contents, reasons and evaluation results of the endorsement and guarantee, submit them to the general manager for approval, and then proceed with the resolution of the Board of Directors.</p> <p>II. The financial department of the Company shall apply for the use of the seal in accordance with the regulations and establish a record book to record the details of the subject of the endorsement and guarantee, the amount, the date of approval by the Board of Directors or decision by the general manager, the date of the endorsement and guarantee, the matters that should be prudently evaluated in accordance with the provisions of the Procedures, the contents of the collateral and its appraised value, and the conditions and date of the release of the endorsement and guarantee.</p> <p>III. The Company shall assess or recognize</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
<p>contingent losses on endorsements and guarantees and disclose endorsement and guarantee information in the financial statements, and provide the relevant information to CPA to perform the necessary audit procedures.</p> <p>IV. If the counterparty of endorsement and guarantee does not comply with the provisions of the Procedures or the amount exceeds the limit due to changes in circumstances, the Company shall formulate an improvement plan and send the relevant improvement plan to <u>the Audit Committee</u> and complete the improvement in accordance with the planned schedule.</p> <p>V. The Company's internal auditors shall audit the procedures for endorsement and guarantee and their execution at least quarterly and make written records of such audits, and shall notify <u>the members of the Audit Committee</u> in writing if any material irregularities are found.</p>	<p>contingent losses on endorsements and guarantees and disclose endorsement and guarantee information in the financial statements, and provide the relevant information to CPA to perform the necessary audit procedures.</p> <p>IV. If the counterparty of endorsement and guarantee does not comply with the provisions of the Procedures or the amount exceeds the limit due to changes in circumstances, the Company shall formulate an improvement plan and <u>send the relevant improvement plan to supervisors and independent directors</u> and complete the improvement in accordance with the planned schedule.</p> <p>V. The Company's internal auditors shall audit the procedures for endorsement and guarantee and their execution at least quarterly and make written records of such audits, and shall notify <u>the members of supervisors and independent directors</u> in writing if any material irregularities are found.</p>	
<p>Article 9: Procedures for controlling subsidiaries' endorsement and guarantee</p> <p>I. If the Company's subsidiary intends to make an external endorsement or guarantee for its business needs, the subsidiary must follow the regulations of the Financial Supervisory Commission to establish Operating Procedures for Endorsement and Guarantee and follow the procedures.</p> <p>II. When the Company's auditors conduct audits at the subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the subsidiaries' operating procedures for endorsement and guarantee, and if any deficiencies are found, they should continue to track their improvement and make a tracking report to <u>the Audit Committee</u>.</p>	<p>Article 9: Procedures for controlling subsidiaries' endorsement and guarantee</p> <p>I. If the Company's subsidiary intends to make an external endorsement or guarantee for its business needs, the subsidiary must follow the regulations of the Financial Supervisory Commission to establish Operating Procedures for Endorsement and Guarantee and follow the procedures.</p> <p>II. When the Company's auditors conduct audits at the subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the subsidiaries' operating procedures for endorsement and guarantee, and if any deficiencies are found, they should continue to track their improvement and make a tracking report to <u>supervisors and independent directors</u>.</p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>
<p>Article 11: The procedures shall be implemented <u>after the approval of at least one-half of all members of the Audit Committee and the approval of the Board of Directors, and after the approval</u> of the shareholders'</p>	<p>Article 11: After the approval of the Board of Directors, <u>the procedures shall be sent to each supervisor and submitted to the shareholders' meeting for approval. If any director expresses dissenting opinions and</u></p>	<p>In compliance with the establishment of an audit committee to replace the supervisors.</p>

Articles after amendments	Current articles	Description:
meeting. The same applies to amendments.	<p><u>there is a record or written statement, the Company shall send its dissenting opinions to each supervisor and present to the shareholders' meeting for discussion.</u> The same applies to amendments.</p> <p><u>When the Company submits the procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors should be fully considered. Any dissenting opinions or reservations of the independent directors shall be recorded in the minutes of the board meeting.</u></p>	
<p>Article 12: The Procedure was established on April 10, 1999. (Omitted) The 8th amendment was made on June 14, 2019. <u>The 9th amendment was made on June 16, 2021.</u></p>	<p>Article 12: The Procedure was established on April 10, 1999. (Omitted) The 8th amendment was made on June 14, 2019.</p>	<p>The date of this amendment was added.</p>

Article of Incorporation

Chapter 1 General Principles

- Article 1: The Company is organized in accordance with the Company Act and is named as Sonix Technology Co., Ltd.
- Article 2: The Company's scope of business is as follows:
- I. Research and development, design and manufacture, trading and distribution, import and export of semiconductors.
 - II. Computer programming and development.
 - III. Electronic, chemical, mechanical equipment and chemical raw materials trading and import/export business.
 - IV. I599990 Other Designing (IC design, testing)
 - V. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except those that are subject to special approval.
- When the Company invests in other companies with limited liability, the total amount of its investment may exceed 40% of the Company's paid-in capital. In addition, the Company may provide guarantees and endorsements for loans from relevant authorities and financial institutions, as well as financial accommodations with each other for business purposes.
- Article 3: The Company has its head office in Hsinchu County, Taiwan, and may establish branches domestically and abroad when necessary by resolution of the Board of Directors.
- Article 4: The announcement method of the Company shall be in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 5: The Company's capital is set at NT\$2.5 billion, divided into 250 million shares (including 25 million shares of warrants and corporate bonds with warrants), and issued in installments of NT\$10 per share. The unissued shares shall be issued by the Board of Directors as necessary.
- Article 6: The Company's stocks are all registered, signed or sealed by the directors representing the Company, and issued after obtaining a certification from a bank permitted by law for issuance and certification of stocks. The shares issued by the Company may be exempted from printing stocks but the shares should be registered with the centralized securities depository institution.
- Article 7: A transfer of shares in the Company shall not be made against the Company unless the name and residence or domicile of the transferee are entered in the shareholder roster of the Company.
- Article 8: The transfer, inheritance, bestowal, pledge, loss, destruction of shares and other stock affairs shall be handled in accordance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies. .
- Article 9: Changes in the shareholder roster shall cease no later than 60 days prior to the date of the regular shareholders' meeting, no later than 30 days prior to the date of the special shareholders' meeting, or no later than five days prior to the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders' Meeting

- Article 10: There are two types of shareholders' meetings: regular and special. Regular meetings are held once a year and are convened by the Board of Directors in accordance with the laws

within six months after the end of the fiscal year. Unless otherwise provided in the Company Act, special shareholders' meetings shall be convened by the Board of Directors when necessary in accordance with the laws.

- Article 11: If a shareholder meeting is convened by the chairperson of the board, the chairperson shall chair the meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.
- Article 12: When a shareholder is unable to attend the shareholder meeting for some reason, the proxy form issued by the Company shall be provided, specifying the scope of authorization, and a proxy shall be appointed to attend. The use of the proxy form is governed by the rules set by the competent authorities.
- Article 13: The shareholders of the Company shall have one voting right per share, except for those who have no voting rights under Article 179 of the Company Act. The shareholders shall be notified of the convening of the regular shareholders' meeting 30 days prior to the meeting, and the shareholders shall be notified of the date, location and reason for the convening of the special shareholders' meeting 15 days prior to the meeting. But the shareholders holding less than 1,000 shares may be notified by public announcement.
- Article 14: Unless otherwise provided in the Company Act, a resolution at a shareholders' meeting shall be made with the presence of shareholders representing a majority of the total number of outstanding shares, and shall be carried out with the consent of a majority of the attending shareholders with voting rights.
- Article 15: Resolutions of a shareholder meeting should be recorded in the meeting minutes, which shall be signed or sealed by the chair and distributed to each shareholder within 20 days after the meeting. The distribution of the minutes may be made by public announcement. The minutes shall record the date, month and year of the meeting, the location, the name of the chair and the method of resolution, and shall record the main points of the proceedings and their results. The minutes shall be kept by the Company together with the signature book of the attending shareholders and the proxy form for attendance.

Chapter 4 Directors and supervisors

- Article 16: The Company shall have seven to nine directors and three supervisors, who shall serve for a term of three years and shall be eligible for re-election. The total number of shares held by all directors and supervisors of the Company shall be in accordance with the Company Act and the regulations of the relevant competent authorities. In accordance with the Securities and Exchange Act, the number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directorships. The Company adopts a candidate nomination system for the election of directors and supervisors, and the nomination of candidates is addressed in accordance with Article 192-1 of the Company Act. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors should be elected together, but their respective elected numbers shall be calculated separately.
- Article 16-1: The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, one of whom shall be the convener, and at least one of whom shall have accounting or

financial expertise.

The foregoing provisions shall apply from the date of election of the independent directors by the shareholders at the annual regular meeting in 2021, and the Audit Committee shall replace the Supervisors' duties and responsibilities from the date of establishment of the Audit Committee, and the supervisor system shall be abolished.

- Article 16-2: All provisions of the Articles of Incorporation relating to the Supervisors shall cease to apply upon the effective date of Article 16-1 of the Articles of Incorporation.
- Article 17: If the number of director vacancies reaches one-third or all supervisors are dismissed, the Board of Directors shall convene a special shareholders' meeting within 60 days to hold a by-election, and the term of office shall be limited to the original term of office.
- Article 18: When the term of office of directors and supervisors expires before re-election, their authorities and duties shall be extended until the re-elected directors and supervisors take office. However, the competent authority may order the Company to re-elect within a time limit, and if the re-election does not take place by the end of the time limit, the directors shall be dismissed from office by the end of the time limit.
- Article 19: The directors shall organize board meetings, and a chairperson shall be elected by the presence of at least two-thirds of the directors and the consent of a majority of the directors present, to carry out all business of the Company in accordance with the laws, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors. The boarding meetings shall be convened with seven days' notice of the reason to all directors and supervisors. But the board meetings may be convened at any time in case of emergency. Notice for the convening of the board meetings can be made in writing, email or fax.
- Article 20: The Board of Directors shall resolve the Company's business principles and other important matters. Except for the first meeting of each term of the Board of Directors, which is convened in accordance with Article 203 of the Company Act, the board meetings shall be convened by the chairperson of the board. If the chairperson of the board is absent from office or is unable to exercise his or her duties for any reason, the chairperson of the board shall designate one of the directors to act on his or her behalf.
- Article 21: Unless otherwise provided in the Company Act, a board meeting shall be attended by a majority of the directors, and a resolution shall be made with the consent of a majority of the directors present. If a director is unable to attend a meeting for any reason, he or she may issue a proxy form, listing the scope of authorization according to the convening matters meeting, and appoint another director to attend the meeting on his or her behalf, but only if one person is appointed by one person. However, one person cannot be entrusted by more than one person
- Article 21-1: If the Board of Directors meets by video conference, its directors who participate in the meeting by video shall be deemed to be present in person.
- Article 22: The minutes of the Board of Directors' meetings shall be prepared, and signed and sealed by the chairperson, and distributed to each director within 20 days after the meeting. The minutes shall contain the year, month, day, location, name of the chair, method of resolution, and the main points and results of the proceedings. The minutes shall be kept by the Company together with the signature book of the attending directors and the proxy form for attendance.
- Article 23: In addition to exercising their monitoring rights alone in accordance with the laws, the supervisors may attend board meetings to present their views, but may not vote.
- Article 24: The Company's directors and supervisors shall be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to industry standards.

Article 24-1: The Company may purchase liability insurance for directors and supervisors during their term of office in respect of their legal liability to perform the scope of their business.

Chapter 5 Managerial officers and employees

Article 25: The Company has a general manager and several deputy general managers, whose appointment, dismissal and remuneration are governed by Article 29 of the Company Act.

Article 26: The Company may employ consultants and key staff by resolution of the Board of Directors.

Chapter 6 Annual final accounting

Article 27: At the end of the fiscal year, the Board of Directors shall prepare the following reports and submit them to the Supervisors for verification 30 days prior to the regular shareholders' meeting for adoption: (1) business report (2) financial statements (3) earnings distribution proposal or loss make-up proposal.

Article 28: If the Company makes a profit in a year, which is defined as profit before tax before the distribution of employee remuneration and director and supervisor remuneration, no less than 10% of the profit shall be allocated as employee remuneration and no more than 5% to director and supervisor remuneration. However, if the Company still has accumulated losses (including the adjustment to unappropriated earnings), the amount of loss make-up should be reserved in advance.

The aforementioned employee remuneration may be in the form of stock or cash and may be paid to employees of the controlling company or subordinate companies who meet the conditions set by the Board of Directors. The aforementioned director and supervisor remuneration can only be in the form of cash.

The previous two shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Article 28-1: If there is any net profits after tax (including the amount of adjustment of unappropriated earnings) for the current period as indicated in the Company's annual final accounts, the Company shall first make up for the accumulated losses and set aside 10% as legal reserve in accordance with the laws; however, this shall not apply if the accumulated legal reserve has reached the Company's paid-in capital. Then, special reserve is provided or reversed in accordance with the law or the regulations of the competent authority. The Board of Directors shall prepare a proposal for the distribution of the annual earnings, including the undistributed earnings at the beginning of the period, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

According to its dividend policy, the Company is to pay no less than 50% of distributable earnings to shareholders each year, taking into account current and future development plans, the investment environment, capital requirements, domestic and international competition, and the interests of shareholders; dividends may be paid in cash or in stock, with cash dividends of no less than 10% of the total dividends.

Chapter 7 Supplementary provisions

Article 29: Matters not provided for in the Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 30: The Articles were established on July 1, 1996.
The 1st amendment was made on July 23, 1997.
The 2nd amendment was made on September 21, 1998.
The 3rd amendment was made on April 10, 1999.
The 4th amendment was made on December 4, 1999.
The 5th amendment was made on June 15, 2000.
The 6th amendment was made on April 30, 2001.
The 7th amendment was made on May 29, 2002.

The 8th amendment was made on June 18, 2003.
The 9th amendment was made on June 18, 2004.
The 10th amendment was made on June 14, 2005.
The 11th amendment was made on June 15, 2006.
The 12th amendment was made on June 15, 2007.
The 13th amendment was made on June 19, 2008.
The 14th amendment was made on June 16, 2009.
The 15th amendment was made on June 15, 2010.
The 16th amendment was made on June 18, 2012.
The 17th amendment was made on June 21, 2016.
The 18th amendment was made on June 22, 2017.
The 19th amendment was made on June 16, 2020.

Rules & Procedures of Shareholders Meeting

- Article 1: Unless otherwise provided by the laws or the Articles of Incorporation, the Rules of Procedure for the Company's shareholders' meetings shall be governed by the provisions of these Rules. Shareholders as referred to in these Rules shall mean the shareholders themselves and the proxies appointed by the shareholders to attend the meetings.
- Article 2: Attendance at shareholders' meetings shall be calculated on the basis of shares. The number of shares in attendance is calculated based on the number of shares in the signature book or the attendance card, plus the number of shares for which the voting rights are exercised electronically. The Company may appoint lawyers, CPA, or related personnel to attend the shareholder meeting. The personnel administering the shareholder meeting should wear identification cards or armbands.
- Article 3: If a shareholder meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.
- Article 4: The chair should call the meeting to order at the scheduled 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. No more than two such postponements, for a combined total of no more than one hour, may be made. When there are still insufficient attending shareholders representing more than one-third of the total issued shares after two postponements, the chair shall announce the meeting to be aborted.
When there are still insufficient attending shareholders representing more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and all shareholders shall be notified of the tentative resolution and another shareholder meeting shall be convened within one month.
Before the conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may submit a tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.
- Article 5: If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.
If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.
The chair must not declare the meeting adjourned before conclusion of the meeting agenda of the preceding two paragraphs proceeding (including extraordinary motions), except by a resolution of the shareholder meeting. After the meeting is adjourned by resolution, the shareholders shall not elect another chair for the meeting to be held at the same place or another venue.
- Article 6: Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. An attending shareholder who has submitted a speaker slip but does not actually speak shall be deemed

to have not spoken. When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail.

- Article 7: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the topic, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the consent of the chair and the speaking shareholder; the chair should stop any violation. If the chair's request to stop is not accepted, the provisions of Article 17 will apply.
- Article 8: If a corporation is entrusted to attend a shareholders' meeting, it may appoint a representative to attend. When a corporate shareholder appoints two or more representatives to attend a shareholder meeting, only one person may speak on the same proposal.
- Article 9: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to voting, the chair may announce the discussion closed, call for voting.
- Article 10: No discussion or voting will be made unless it is a proposal. Monitoring and counting personnel for voting on a proposal shall be appointed by the chair, but all monitoring personnel should be shareholders.
- Article 11: Unless otherwise required by the Company Act or the Articles of Incorporation of the Company, resolutions in a shareholder meeting should be made with the consent of a majority of the voting rights of the shareholders present. If no objection is raised as the chair consulting all shareholders present, the proposal shall be deemed to be passed and shall have the same effect as a voting. When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to voting. When any one among them is approved, the other proposals will then be deemed rejected, and no further voting shall be required. The results of the voting shall be reported on the spot and recorded.
- Article 12: A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Article 179 of the Company Act. Where shareholders appoint a proxy to attend a shareholder meeting, except for a trust enterprise or a stock affairs agency approved by the competent securities authority when one person is concurrently appointed as proxy by two or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation. in excess of that shall not be counted.
- Article 13: Voting at shareholders' meetings shall be calculated on the basis of shares. The number of non-voting shares is not included in the total number of issued shares when the resolution is made at the shareholders' meeting. A shareholder may not vote at a meeting if he or she has an interest in the matter that would be detrimental to the Company's interests, and may not exercise his or her voting rights on behalf of another shareholder. The number of shares on which voting rights cannot be exercised is not included in the number of voting rights of shareholders present.
- Article 14: During the meeting, the chair may announce a break at his or her discretion.
- Article 15: In the event of an air raid alert, the meeting will be stopped or suspended and the attendees will be evacuated. The meeting will be resumed after the alert has been lifted for one hour.
- Article 16: The chair may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security officers, when helping maintain order at the scene, should wear armbands or identification cards with the word "Proctor."

- Article 17: Shareholders shall obey the directions of the chair, the proctors (or security officers) regarding the maintenance of order, and the chairman or the proctors (or security officers) may ask any person to leave who disrupts the shareholders' meeting.
- Article 18: All matters not provided for in the Procedure shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.
- Article 19: The Procedure shall come into effect upon the approval of the shareholders' meeting and the same applies to amendments.
- Article 20: The Articles were established on April 10, 1999.
The 1st amendment was made on May 29, 2002.
The 2nd amendment was made on June 18, 2012.
The 3rd amendment was made on June 22, 2017.

Procedures for Election of Directors and Supervisors

- Article 1: The election of directors and supervisors of the Company shall be conducted in accordance with the provisions of the Procedure.
- Article 2: The Company's directors and supervisors are elected by the single cumulative registered voting system and each share shall have the same number of voting rights as the number of directors and supervisors to be elected, which may be cast collectively for a single candidate or split among several candidates
- Article 3: The directors and supervisors of the Company shall be elected by the shareholders' meeting from those who have the capacity to act. The number of directors and directors will be as specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.
- Article 4: The Board of Directors should prepare election ballots corresponding to the number of directors and supervisors to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of candidates.
- Article 5: Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties.
- Article 6: The ballot boxes are prepared by the Board of Directors and are open for inspection by the vote monitors before the voting.
- Article 7: If a candidate is a shareholder, voters must indicate the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the candidate's name and identification number should be indicated. However, when the candidate is a governmental or a corporation, the name of the governmental or the corporation should be indicated in the column for the candidate's account name on the ballot, or both the name of the government or the corporation and the name of its representative can be indicated. When there are several representatives, the name of each representative should be indicated respectively.
- Article 8: A ballot is invalid if one of the following is true:
- (i) Do not use ballots prepared by the Board of Directors.
 - (ii) If the person to be elected is a shareholder, his or her account name or shareholder account number does not match with the shareholder roster; if the person to be elected is not a shareholder, his or her name and identification number do not match

after verification.

(iii) In addition to the account name and shareholder account number (identification number) of the person to be elected and the number of voting rights allocated, other words are included.

(iv) Put void ballots into the ballot box.

(v). The handwriting is blurred and unrecognizable or has been altered.

(vi) The name of the person to be elected is the same as that of other shareholders without the shareholder's account number or identification number to discern them.

Article 9: One ballot box for each of the election of directors and supervisors will be set up for voting.

Article 10: The chair will announce the names of the elected directors and supervisors on the spot after the voting.

Article 11: The Board of Directors of the company shall issue a notice of election to the elected directors and supervisors.

Article 12: All matters not provided for in the Procedure shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.

Article 13: The Procedure shall come into effect upon the approval of the shareholders' meeting and the same applies to amendments.

Article 14: The Procedure was established on April 10, 1999.
The 1st amendment was made on May 29, 2002.
The 2nd amendment was made on June 19, 2008.

Shareholdings of Directors and Supervisors

一、The minimum number of shares required by law to be held by all directors is 10,072,623 shares.

二、The minimum number of shares required by law to be held by all supervisors is 1,007,262 shares.

Base date: April 17, 2021

Title	Name	Shareholding	Shareholding percentage
Chairman	Samuel Chen	7,270,261	4.33%
Director	James Pao	4,549,318	2.71%
Director	Chan Yee Hsiung	3,532,219	2.10%
Director	Daniel Pan	2,220,515	1.32%
Director	Chris Ko	578,602	0.34%
Independent director	Kao Chung Tsai	0	0%
Independent director	Chih cheng Chou	0	0%
Total number of shares held by all directors		18,150,915	10.81%
Supervisor	Ching Hui Kuo	368,907	0.22%
Supervisor	Kao Hsin Investment Co., Ltd.	650,000	0.39%
Total number of shares held by all supervisors		1,018,907	0.61%

Note: The total number of issued shares of the Company as of April 17, 2021 was 167,877,062 shares.

Effect of the stock dividends on the Company's operating results, earnings per share and shareholders' return on investment: There is no stock dividends this time and is not applicable.