

Sonix Technology Co., Ltd.

2022 Annual Shareholders' Meeting

Handbook

(Translation)

Meeting Date: June 21, 2022, 9:00 a.m.
Location: 9F., No.36, Taiyuan St., Zhubei City,
Hsinchu , Taiwan (R.O.C)(Sonix's conference room)

(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.

2022 Annual Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairmans' Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Extemporary Motions
7. Adjournment

Sonix Technology Co., Ltd.

2022 Annual Shareholders' Meeting Agenda

How to convene the shareholders meeting : physical shareholders meeting

Time: June 21, 2022 (Tuesday), 9:00 a.m.

Location: Location: 9F., No.36, Taiyuan St., Zhubei City, Hsinchu, Taiwan (R.O.C) (Sonix's conference room)

1. Call the Meeting to Order

2. Chairmans' Address

3. Report Items

- (1) Business Report of 2021
- (2) Audit Committee's Review Report on the 2021 Financial Statements
- (3) Report the distribution of Directors' and Supervisors', Employees' remuneration of 2021
- (4) Amendment to some provisions of Corporate Social Responsibility Policy

4. Approval Items

- (1) Adoption of the 2021 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2021 Profits

5. Discussion Items

- (1) Amendment to the Procedures for Acquisition or Disposal Assets
- (2) Proposal of Release the Prohibition on Directors from Participation in Competitive Business

6. Extemporary Motions

7. Adjournment

Report Items

(1) Business Report of 2021

Please refer to the business report on page 8~13 (Attachment 1).

(2) Audit Committee's Review Report on the 2021 Financial Statements

Please refer to the Audit Committee's Review Report on page 14(Attachment 2).

(3) Report the distribution of Directors' and Supervisors', Employees' remuneration of 2021

The proposed distribution of Directors' and Supervisors', Employees' remuneration of NT\$24,000 thousand and NT\$259,000 thousand, respectively, from the Company's 2021 earnings, all in cash, was approved by the Board of Directors on February 23, 2022.

(4) Amendment to some provisions of Corporate Social Responsibility Policy

In line with the international development trend, to implement the goal of sustainable development, and to strengthen the implementation of the company's promotion of sustainable development, it is planned to change the name of the " Corporate Social Responsibility Policy " to "Code of Practice for Sustainable Development". Please refer to page 35~38 (Attachment 4) for a comparison of the provisions before and after the amendment.

Approval Items

(1) Adoption of the 2021 Business Report and Financial Statements

The Company's 2021 Business Report and Financial Statements have been prepared, audited by the Company's Audit committee, Approved by the board of directors on February 23rd, 2022, and submitted for approval at the Annual Shareholders' Meeting. For Business Report and Financial Statements, please refer to page 8~13 (Attachment 1) and page 15~34 (Attachment 3).

Resolution:

(2) Adoption of the proposal for distribution of 2021 Profits

The distribution of the Company's 2021 earnings is proposed in accordance with the law as follows.

Sonix Technology Co., Ltd. 2021 Earnings Distribution Table

Unit: NT\$

Opening balance of unappropriated retained earnings	46,084,085
Add: Net income of 2021	1,462,319,927
Add: Transferred disposal gain on investments in equity instruments at fair value through other comprehensive income to retained earnings	3,125,869
LESS: Defined benefit plan remeasurement recognized in retained earnings	(1,260,779)
Net income plus adjustments	1,464,185,017
Less: Provision for legal reserve	(146,418,502)
Retained earnings available for distribution	1,363,850,600
Distribution items	
Dividend to shareholders - cash (\$7 per share)	1,175,139,434
Ending balance of unappropriated retained earnings	188,711,166

Note: The cash dividends paid to shareholders from the Company's 2021 earnings amounted to NT\$1,175,139,434 with NT\$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: James Pao

General Manager: Chris Ko

Accounting Manager: Sophia Lin

Resolution:

Discussion Items

(1) Amendment to the Procedures for Acquisition or Disposal Assets

Cooperate with the amendment of the law, we intend to amend some provisions of the "Procedures for Acquisition or Disposal Assets" and please refer to page 39~44 (Attachment 5) for a comparison of the procedures before and after the amendment.

Resolution:

(2) Proposal of Release the Prohibition on Directors from Participation
in Competitive Business

- 1) Pursuant to Article 209(1) of the Company Act, “a director who engages in any behavior for himself/herself or on behalf of another person that is within the scope of the company's business shall explain the essential contents of such an act to the shareholders’ meeting and obtain its approval.
- 2) The directors of the Company intend to lift the restrictions on their competition due to the business needs or the investment or operation of other companies with the same or similar business scope as the company's business scope. According to the law, the shareholders' meeting is requested to agree to lift the restriction on the non-compete of directors, and the content is as follows:

Title	Name	Company Name	Position held
Independent Director	Mao Tien Shen	Nyquest Technology Co., Ltd.	Independent Director

Resolution:

Extemporaneous Motions

Adjournment

Sonix Technology Co., Ltd.

Business Report

Attachment 1

I. 2021 Business Results

The COVID-19 epidemic continued to spread in 2021. Due to the contingency situation, enterprises were actively transforming into digital, accelerating the deployment of 5G and promoting the development of consumer electronic products for remote working and education. The market demand for microcontrollers, video chips and Optical ID had risen sharply. Due to the strong demand, the company's revenue had grown, reaching NT\$5,866 million, setting record high, and the profit had also with good results: gross profit reached NT\$3,014 million up 32% YoY and profit from operations came to NT\$1,847 million. Net profit was NT\$ 1,462 million and Earnings per share was NT\$ 8.71. The proportions of product mix remained consumer 56% and multimedia 44%.

Ubiquitous new applications such as electric vehicles, self-driving cars, Artificial Intelligence (AI), and the Internet of Things (IoT) have created huge business opportunities for the electronics industry. In the past two years, the demand for semiconductors has increased sharply, but the supply chain has continued to the shortage due to insufficient wafer production capacity and imbalance of supply and demand. The limited promotion of new products has become the biggest challenge in the IC industry.

In the post-epidemic era, under the drastic changes in the environment, Sonix will continue to cultivate technology, strive for fab capacity support, and launch more complete products and solutions to establish a solid competitive advantage and continue to achieve good results.

(i) Revenues and profits

Unit: Thousand NT\$

Items	2021	2020	Increase or Decrease	Change %
Operating revenues	5,865,539	5,370,626	494,913	9%
Operating gross profits	3,014,001	2,282,470	731,531	32%
Operating net profits	1,846,558	1,236,163	610,395	49%
Net profits after tax	1,462,320	1,025,601	436,719	43%
Other comprehensive Income	(71,801)	214,597	(286,398)	(133%)
Total comprehensive Income	1,390,519	1,240,198	150,321	12%

(ii) Financial receipts and expenditures, and profitability analysis

1. Financial receipts and expenditures

Unit: Thousand NT\$

Items	2021	2020	Increase or Decrease	Change %
Interest incomes	13,826	9,771	4,055	42%

2. Profitability analysis

	Year	
Analysis item	2021	2020
Return on assets (%)	27	24

Return on equity (%)	36	30
Net profits before tax to paid-in capital (%)	111	74
Net profit margin (%)	25	19
Earnings per share (NT\$)	8.71	6.11

(iii) Implementation status of budget

The Company did not disclose its financial forecast for FY 2021; 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 15% of operating revenues in 2021, and the specific R&D results are as follows.

Product line	R&D status
Voice chips	<ul style="list-style-type: none"> Launched the AUDIO CODEC series which is a single-channel AUDIO CODEC integrated a high-precision 24 bits ADC and a high- efficiency Class D amplifier with speaker driver. The ADC's accuracy reaches 101dB SNR, and with the built-in Microphone Boost, it can be directly connected to the Microphone without any additional amplifier and other components. The high-performance DAC which focuses on the application of external speakers. It uses Class-D Modulation and integrates the amplifier. It can directly push 8ohm speakers without additional components. Compared with the traditional Class-AB amplifier, the power efficiency is increased by more than 50%.
Microcontrollers	<ul style="list-style-type: none"> Launched a new generation of blood glucose measurement IC with hematocrit (HCT) compensation technology, integrating micro-charge detection AFE, 24-b ADC, DAC, AC and DC blood impedance measurement circuit and other technologies to achieve miniaturization and high integration. Through the trend compensation of blood impedance and HCT characteristics, the blood glucose measurement accuracy level is improved, which is more in line with future international standards and market development trends.
Image processing chips	<ul style="list-style-type: none"> Introduce FHD web camera chips with RGB/ TNR applied for remote education and video conference and support to ultra thin laptops.
Wireless AV Solutions	<ul style="list-style-type: none"> Launched a series of high-quality and low latency wireless audio and video solution which is applied to long-distance video conference systems. The camera RF transmitter and USB RF receiver, are utilized its own wireless technology which can improve environmental anti-interference ability, and the transmission distance is over 1.5 times compared with traditional WiFi module, also provides SDK to optimize the system power consumption. The product is powered by battery, with more convenience of mobility. For low data volume transmission applications, Sonix introduced the SN9380/SN9381 BLE chips and provided SDK/APP for development. The series integrated data transceiver (TxRx), remote wake-up (WOR), event push (Notification), firmware upgrade (FOTA) and other functions for customers to quickly develop BLE applications.
Platform	<ul style="list-style-type: none"> Import the deep learning model on the 32-bit platform to detect the baby's cry by using the beamforming algorithm to determine the direction of the sound, suppress other background noise, and determine whether the baby's cry exists.

II. 2022 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. 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.
- (3)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 2021 sales data, the current industry environment and market demand, the estimated sales volume for 2022 is approximately 679,000 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. 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 and supply.

Changes in the external environment: The continued spread of Covid-19 created the rise of anti-epidemic technology, accelerated the development of many new products, services and business models. The "zero-contact economy" driven by anti-epidemic needs has driven applications such as small home appliances, home leisure, long-distance video, and long-distance education. Sonix focuses on the core technology for microcontrollers, voice&audio technology, video and OID, and demand continue to grow and expand.

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.

Changes in supply: the capacity expansion of fabs is limited, and the shortage of supply has not been resolved. The epidemic has aggravated the problem of sea and air transportation and port congestion, resulting in an imbalance between the upstream materials and supply chain that leads to problems of distributors accumulate inventory, but consumers delay obtaining end products.

(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 2021.

(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: James Pao

General Manager: Chris Ko

Accounting Manager: Sophia Lin

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and proposal for distribution of profits. The 2021 Financial Statements were audited by independent auditors of Deloitte & Touche and issued an Independent Audit Report. The 2021 Business Report, Financial Statements and proposal for distribution of profits have been checked by the Audit Committee and no irregularities were found. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To Sonix Technology Co., Ltd. 2022 annual shareholders' meeting

Sonix Technology Co., Ltd.

Chairman of the Audit Committee: Chih cheng Chou

February 23, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sonix Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Sonix Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Occurrence of Revenue

The Group's operating income mainly comes from transactions generated from R&D, design, manufacturing and sales of voice controllers, microcontrollers, video/image controllers, wireless multimedia, optical identification and so on. Due to environmental changes, the demand for some specific products produced by the Group has increased, and sales revenue may be recognized before the fulfilling the requirements of IAS regulations on revenue recognition, which can have a significant impact to the financial statements of the Group. Thus, we identified the occurrence of revenue for specific products to be a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies and details of revenue recognition.

We performed the following main audit procedures for the occurrence of revenue:

1. We obtained an understanding and tested the design and operating effectiveness of the key controls with regard to the occurrence of revenue.
2. We selected samples from sales details, and we checked the original documents such as customer orders, sales orders, and invoices. We also verified the collections and other procedures performed and confirmed that there were no abnormalities in the occurrence of operating income.

Other Matter

We have also audited the parent company only financial statements of Sonix Technology Co., Ltd. as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion for the years ended December 31, 2021 and 2020.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao Lin Huang and Suei Chin Lee

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,413,101	25	\$ 1,481,511	29
Financial assets at fair value through profit or loss - current (Note 4)	181,176	3	65,818	1
Financial assets at amortized cost - current (Notes 4, 8 and 25)	467,132	9	373,452	8
Notes receivable and trade receivables from unrelated parties (Notes 4, 9 and 24)	546,693	10	664,814	13
Inventories (Notes 4, 5 and 10)	1,448,377	26	915,940	18
Other current assets	67,281	1	47,463	1
Total current assets	4,123,760	74	3,548,998	70
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	452,151	8	537,651	11
Investments accounted for using equity method (Notes 4 and 12)	7,174	-	7,661	-
Property, plant and equipment (Notes 4, 13 and 25)	723,640	13	751,930	15
Investment properties (Notes 4 and 14)	123,398	2	126,056	2
Intangible assets (Notes 4 and 15)	90,845	2	67,554	1
Deferred tax assets (Notes 4 and 20)	73,294	1	47,844	1
Refundable deposits	7,197	-	4,675	-
Other non-current assets	74	-	-	-
Total non-current assets	1,477,773	26	1,543,371	30
TOTAL	\$ 5,601,533	100	\$ 5,092,369	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables to unrelated parties	\$ 369,448	6	\$ 494,841	10
Other payables (Note 16)	426,572	8	346,820	7
Current tax liabilities (Notes 4 and 20)	214,085	4	164,366	3
Other current liabilities	5,777	-	13,188	-
Total current liabilities	1,015,882	18	1,019,215	20
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 4)	20,757	-	23,532	1
Deferred tax liabilities (Notes 4 and 20)	94,092	2	15,621	-
Net defined benefit liabilities - non-current (Notes 4 and 17)	23,301	1	22,835	-
Guarantee deposits	116,021	2	113,306	2
Total non-current liabilities	254,171	5	175,294	3
Total liabilities	1,270,053	23	1,194,509	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	1,678,770	30	1,678,770	33
Capital surplus	62,661	1	62,661	1
Retained earnings				
Legal reserve	1,005,920	18	903,337	18
Special reserve	228	-	67,297	1
Unappropriated earnings	1,510,271	27	1,038,500	21
Total retained earnings	2,516,419	45	2,009,134	40
Other equity	73,630	1	147,295	3
Total equity attributable to owners of the Company	4,331,480	77	3,897,860	77
Total equity	4,331,480	77	3,897,860	77
TOTAL	\$ 5,601,533	100	\$ 5,092,369	100

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 24)				
Sales	\$ 5,865,539	100	\$ 5,370,626	100
OPERATING COSTS (Notes 10 and 19)				
Cost of goods sold	<u>2,851,538</u>	<u>48</u>	<u>3,088,156</u>	<u>58</u>
GROSS PROFIT	<u>3,014,001</u>	<u>52</u>	<u>2,282,470</u>	<u>42</u>
OPERATING EXPENSES (Notes 9, 15, 17, 19 and 24)				
Sales and marketing expenses	85,987	1	84,494	2
General and administrative expenses	217,048	4	189,665	3
Research and development expenses	864,469	15	772,242	14
Expected credit gain	<u>(61)</u>	<u>-</u>	<u>(94)</u>	<u>-</u>
Total operating expenses	<u>1,167,443</u>	<u>20</u>	<u>1,046,307</u>	<u>19</u>
PROFIT FROM OPERATIONS	<u>1,846,558</u>	<u>32</u>	<u>1,236,163</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 19 and 24)	35,356	1	25,040	1
Other losses (Notes 19 and 26)	(25,940)	(1)	(33,273)	(1)
Share of profit or loss of associates and joint ventures (Notes 4 and 12)	(92)	-	521	-
Interest revenue (Note 19)	<u>13,826</u>	<u>-</u>	<u>9,771</u>	<u>-</u>
Total non-operating income and expenses	<u>23,150</u>	<u>-</u>	<u>2,059</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,869,708	32	1,238,222	23
INCOME TAX EXPENSE (Notes 4 and 20)	<u>407,388</u>	<u>7</u>	<u>212,621</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>1,462,320</u>	<u>25</u>	<u>1,025,601</u>	<u>19</u>

(Continued)

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	\$ (1,576)	-	\$ 291	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(62,707)	(1)	199,560	4
Share of the other comprehensive loss of associated accounted for using the equity method	416	-	(696)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	<u>314</u> (63,553)	<u>-</u> (1)	<u>(58)</u> 199,097	<u>-</u> 4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(8,248)</u>	<u>-</u>	<u>15,500</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>(71,801)</u>	<u>(1)</u>	<u>214,597</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,390,519</u>	<u>24</u>	<u>\$ 1,240,198</u>	<u>23</u>
EARNINGS PER SHARE (Note 21)				
From continuing and discontinued operations				
Basic	<u>\$ 8.71</u>		<u>\$ 6.11</u>	
Diluted	<u>\$ 8.45</u>		<u>\$ 5.98</u>	

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company							Other Equity		Total	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Shares	Ordinary Shares		Legal Reserve	Special Reserve	Unappropriated Earnings			Total		
	(In Thousands)										
BALANCE AT JANUARY 1, 2020	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 of 2019 earnings											
Legal reserve	-	-	-	34,152	-	(34,152)	-	-	-	-	-
Special reserve	-	-	-	-	(53,813)	53,813	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(352,542)	(352,542)	-	-	-	(352,542)
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,025,601	1,025,601	-	-	-	1,025,601
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	-	233	233	15,500	198,864	214,364	214,597
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	1,025,834	1,025,834	15,500	198,864	214,364	1,240,198
BALANCE AT DECEMBER 31, 2020	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
Appropriation of 2020 earnings											
Legal reserve	-	-	-	102,583	-	(102,583)	-	-	-	-	-
Special reserve	-	-	-	-	(67,069)	67,069	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(956,899)	(956,899)	-	-	-	(956,899)
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,462,320	1,462,320	-	-	-	1,462,320
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(1,262)	(1,262)	(8,248)	(62,291)	(70,539)	(71,801)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,461,058	1,461,058	(8,248)	(62,291)	(70,539)	1,390,519
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	3,126	3,126	-	(3,126)	(3,126)	-
BALANCE AT DECEMBER 31, 2021	167,877	\$ 1,678,770	\$ 62,661	\$ 1,005,920	\$ 228	\$ 1,510,271	\$ 2,516,419	\$ (66,995)	\$ 140,625	\$ 73,630	\$ 4,331,480

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 1,869,708	\$ 1,238,222
Adjustments for:		
Depreciation expense	74,159	81,929
Amortization expense	16,868	14,311
Expected credit loss reversed on trade receivables	(61)	(94)
Net loss on fair value changes of financial assets at fair value through profit or loss	4,565	1,928
Interest income	(13,826)	(9,771)
Dividend income	(11,351)	(5,541)
Share of loss (profit) of associates and joint ventures	92	(521)
Loss on disposal of property, plant and equipment	-	1
Reversal of write-downs of inventory and loss of obsolete inventory	2,398	12,292
Net gain on foreign currency exchange	(3,270)	(3,736)
Changes in operating assets and liabilities		
Notes receivable and trade receivables	116,668	(261,040)
Inventories	(534,860)	(259,323)
Other current assets	(3,994)	8,067
Trade payables	(124,826)	251,642
Other payables	79,835	130,314
Provisions for employee benefits	(2,775)	14,960
Other current liabilities	(7,405)	(6,439)
Net defined benefit liabilities	(1,110)	(1,011)
Cash generated from operations	1,460,815	1,206,190
Interest received	13,474	10,130
Dividends received	17,922	13,852
Income tax paid	(319,847)	(78,392)
Net cash generated from operating activities	<u>1,172,364</u>	<u>1,151,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(94,930)	(79,896)
Purchase of financial assets at fair value through profit or loss	(270,000)	(90,000)

Proceeds from sale of financial assets at fair value through other comprehensive income	3,126	-
Proceeds from sale of financial assets at fair value through profit or loss	150,077	150,496
Return of capital reduction from investees under equity method	812	-
Payments for property, plant and equipment	(45,408)	(68,525)
(Increase) decrease in refundable deposits	(3,081)	420
Payments for intangible assets	(40,167)	(25,477)
(Increase) decrease in other non-current assets	<u>(74)</u>	<u>18,963</u>
Net cash used in investing activities	<u>(299,645)</u>	<u>(94,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	\$ 7,555	\$ 42,120
Dividends paid to owners of the Company	<u>(956,899)</u>	<u>(352,542)</u>
Net cash used in financing activities	<u>(949,344)</u>	<u>(310,422)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>8,215</u>	<u>9,561</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(68,410)	756,900
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,481,511</u>	<u>724,611</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,413,101</u>	<u>\$ 1,481,511</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sonix Technology Co., Ltd.

Opinion

We have audited the accompanying financial statements of Sonix Technology Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2021 are stated as follows:

Occurrence of Revenue

The Company's operating income mainly comes from transactions generated from R&D, design, manufacturing and sales of voice controllers, microcontrollers, video/image controllers, wireless multimedia, optical identification and so on. Due to environmental changes, the demand for some specific products produced by the Company has increased, and sales revenue may be recognized before the fulfilling the requirements of IAS regulations on revenue recognition, which can have a significant impact to the financial statements of the Company. Thus, we identified the occurrence of revenue for specific products to be a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies and details of revenue recognition.

We performed the following main audit procedures for the occurrence of revenue:

1. We obtained an understanding and tested the design and operating effectiveness of the key controls with regard to the occurrence of revenue.
2. We selected samples from sales details, and we checked the original documents such as customer orders, sales orders, and invoices. We also verified the collections and other procedures performed and confirmed that there were no abnormalities in the occurrence of operating income.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about

the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao Lin Huang and Suei Chin Lee

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SONIX TECHNOLOGY CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,067,687	19	\$ 1,012,971	20
Financial assets at fair value through profit or loss - current (Note 4)	142,075	3	23,911	1
Financial assets at amortized cost - current (Notes 4, 8 and 24)	255,159	4	255,143	5
Notes receivable and trade receivables from unrelated parties (Notes 4 and 9)	366,451	6	330,119	7
Notes receivable and trade from related parties (Notes 4 and 23)	73,763	1	333,979	7
Inventories (Notes 4, 5 and 10)	1,100,048	19	668,337	13
Other current assets (Note 23)	<u>56,965</u>	<u>1</u>	<u>42,221</u>	<u>1</u>
Total current assets	<u>3,062,148</u>	<u>53</u>	<u>2,666,681</u>	<u>54</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	452,124	8	524,530	11
Investments accounted for using equity method (Notes 4 and 11)	1,586,607	28	1,202,110	24
Property, plant and equipment (Notes 4, 12 and 24)	347,873	6	351,898	7
Investment properties (Notes 4 and 13)	114,151	2	115,320	2
Intangible assets (Notes 4 and 14)	88,359	2	65,831	1
Deferred tax assets (Notes 4 and 19)	72,199	1	47,181	1
Refundable deposits	<u>4,239</u>	<u>-</u>	<u>4,327</u>	<u>-</u>
Total non-current assets	<u>2,665,552</u>	<u>47</u>	<u>2,311,197</u>	<u>46</u>
TOTAL	<u>\$ 5,727,700</u>	<u>100</u>	<u>\$ 4,977,878</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables to unrelated parties	\$ 318,624	5	\$ 327,765	7
Other payables (Note 15)	403,073	7	315,986	6
Current tax liabilities (Notes 4 and 19)	213,376	4	158,931	3
Other current liabilities	<u>247,295</u>	<u>4</u>	<u>135,399</u>	<u>3</u>
Total current liabilities	<u>1,182,368</u>	<u>20</u>	<u>938,081</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 4)	20,757	-	23,532	1
Deferred tax liabilities (Notes 4 and 19)	94,022	2	15,606	-
Net defined benefit liabilities - non-current (Notes 4 and 16)	23,301	1	22,835	-
Guarantee deposits	<u>75,772</u>	<u>1</u>	<u>79,964</u>	<u>2</u>
Total non-current liabilities	<u>213,852</u>	<u>4</u>	<u>141,937</u>	<u>3</u>
Total liabilities	<u>1,396,220</u>	<u>24</u>	<u>1,080,018</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	<u>1,678,770</u>	<u>30</u>	<u>1,678,770</u>	<u>34</u>
Capital surplus	<u>62,661</u>	<u>1</u>	<u>62,661</u>	<u>1</u>
Retained earnings				
Legal reserve	1,005,920	18	903,337	18
Special reserve	228	-	67,297	1
Unappropriated earnings	<u>1,510,271</u>	<u>26</u>	<u>1,038,500</u>	<u>21</u>
Total retained earnings	<u>2,516,419</u>	<u>44</u>	<u>2,009,134</u>	<u>40</u>
Other equity	<u>73,630</u>	<u>1</u>	<u>147,295</u>	<u>3</u>
Total equity attributable to owners of the Company	<u>4,331,480</u>	<u>76</u>	<u>3,897,860</u>	<u>78</u>
Total equity	<u>4,331,480</u>	<u>76</u>	<u>3,897,860</u>	<u>78</u>
TOTAL	<u>\$ 5,727,700</u>	<u>100</u>	<u>\$ 4,977,878</u>	<u>100</u>

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

SONIX TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)				
Sales	\$ 4,879,771	100	\$ 4,461,447	100
OPERATING COSTS (Notes 10, 18 and 23)				
Cost of goods sold	<u>2,380,573</u>	<u>49</u>	<u>2,589,075</u>	<u>58</u>
GROSS PROFIT	2,499,198	51	1,872,372	42
Unrealized gain on the transactions with subsidiaries	<u>(110,626)</u>	<u>(2)</u>	<u>(60,167)</u>	<u>(1)</u>
REALIZED GROSS PROFIT	<u>2,388,572</u>	<u>49</u>	<u>1,812,205</u>	<u>41</u>
OPERATING EXPENSES (Notes 14, 16, 18 and 23)				
Sales and marketing expenses	77,861	2	72,410	2
General and administrative expenses	164,077	3	143,499	3
Research and development expenses	744,825	15	666,383	15
Expected credit gain	<u>(61)</u>	<u>-</u>	<u>(94)</u>	<u>-</u>
Total operating expenses	<u>986,702</u>	<u>20</u>	<u>882,198</u>	<u>20</u>
PROFIT FROM OPERATIONS	<u>1,401,870</u>	<u>29</u>	<u>930,007</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 18 and 23)	37,350	1	21,487	-
Other losses (Notes 18 and 25)	(20,482)	(1)	(46,343)	(1)
Share of profit or loss of associates and joint ventures (Note 11)	389,203	8	304,950	7
Interest revenue (Note 18)	<u>7,982</u>	<u>-</u>	<u>6,576</u>	<u>-</u>
Total non-operating income and expenses	<u>414,053</u>	<u>8</u>	<u>286,670</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	1,815,923	37	1,216,677	27
INCOME TAX EXPENSE (Notes 4 and 19)	<u>353,603</u>	<u>7</u>	<u>191,076</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>1,462,320</u>	<u>30</u>	<u>1,025,601</u>	<u>23</u>

(Continued)

SONIX TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 16)	\$ (1,576)	-	\$ 291	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(62,707)	(2)	199,560	5
Share of the other comprehensive loss of associated accounted for using the equity method	416	-	(696)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 19)	<u>314</u>	<u>-</u>	<u>(58)</u>	<u>-</u>
	<u>(63,553)</u>	<u>(2)</u>	<u>199,097</u>	<u>5</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(8,248)</u>	<u>-</u>	<u>15,500</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>(71,801)</u>	<u>(2)</u>	<u>214,597</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,390,519</u>	<u>28</u>	<u>\$ 1,240,198</u>	<u>28</u>
EARNINGS PER SHARE (Note 20)				
From continuing and discontinued operations				
Basic	<u>\$ 8.71</u>		<u>\$ 6.11</u>	
Diluted	<u>\$ 8.45</u>		<u>\$ 5.98</u>	

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

(Concluded)

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

	Share Capital		Retained Earnings					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
	Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2020	<u>167,877</u>	<u>\$ 1,678,770</u>	<u>\$ 62,661</u>	<u>\$ 869,185</u>	<u>\$ 121,110</u>	<u>\$ 345,547</u>	<u>\$ 1,335,842</u>	<u>\$ (74,247)</u>	<u>\$ 7,178</u>	<u>\$ (67,069)</u>	<u>\$ 3,010,204</u>
Appropriation of 2019 earnings											
Legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,152</u>	<u>-</u>	<u>(34,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,813)</u>	<u>53,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash dividends distributed by the Company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(352,542)</u>	<u>(352,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(352,542)</u>
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,025,601	1,025,601	-	-	-	1,025,601
Other comprehensive loss for the year ended December 31, 2020, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233</u>	<u>233</u>	<u>15,500</u>	<u>198,864</u>	<u>214,364</u>	<u>214,597</u>
Total comprehensive income for the year ended December 31, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,025,834</u>	<u>1,025,834</u>	<u>15,500</u>	<u>198,864</u>	<u>214,364</u>	<u>1,240,198</u>
BALANCE AT DECEMBER 31, 2020	<u>167,877</u>	<u>1,678,770</u>	<u>62,661</u>	<u>903,337</u>	<u>67,297</u>	<u>1,038,500</u>	<u>2,009,134</u>	<u>(58,747)</u>	<u>206,042</u>	<u>147,295</u>	<u>3,897,860</u>
Appropriation of 2020 earnings											
Legal reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,583</u>	<u>-</u>	<u>(102,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,069)</u>	<u>67,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash dividends distributed by the Company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(956,899)</u>	<u>(956,899)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(956,899)</u>
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,462,320	1,462,320	-	-	-	1,462,320
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,262)</u>	<u>(1,262)</u>	<u>(8,248)</u>	<u>(62,291)</u>	<u>(70,539)</u>	<u>(71,801)</u>
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,461,058</u>	<u>1,461,058</u>	<u>(8,248)</u>	<u>(62,291)</u>	<u>(70,539)</u>	<u>1,390,519</u>
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,126</u>	<u>3,126</u>	<u>-</u>	<u>(3,126)</u>	<u>(3,126)</u>	<u>-</u>
BALANCE AT DECEMBER 31, 2021	<u>167,877</u>	<u>\$ 1,678,770</u>	<u>\$ 62,661</u>	<u>\$ 1,005,920</u>	<u>\$ 228</u>	<u>\$ 1,510,271</u>	<u>\$ 2,516,419</u>	<u>\$ (66,995)</u>	<u>\$ 140,625</u>	<u>\$ 73,630</u>	<u>\$ 4,331,480</u>

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

SONIX TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 1,815,923	\$ 1,216,677
Adjustments for:		
Depreciation expense	46,393	56,991
Amortization expense	15,845	13,364
Expected credit loss reversed on trade receivables	(61)	(94)
Net loss on fair value changes of financial assets at fair value through profit or loss	1,759	2,846
Interest income	(7,982)	(6,576)
Dividend income	(11,351)	(5,541)
Share of profit of associates and joint ventures	(389,203)	(304,950)
Reversal of write-downs of inventory and loss of obsolete inventory	17,652	12,516
Net gain on foreign currency exchange	(3,389)	(829)
Changes in operating assets and liabilities		
Notes receivable and trade receivables	222,236	(243,228)
Inventories	(449,363)	(153,391)
Other current assets	(14,983)	(2,968)
Trade payables	(8,574)	126,164
Other payables	87,693	118,129
Provisions for employee benefits	(2,775)	14,960
Other current liabilities	111,902	60,488
Net defined benefit liabilities	(1,110)	(1,011)
Cash generated from operations	1,430,612	903,547
Interest received	8,002	6,960
Dividends received	17,922	13,852
Income tax paid	(245,446)	(65,883)
Net cash generated from operating activities	<u>1,211,090</u>	<u>858,476</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(16)	(516)
Purchase of financial assets at fair value through profit or loss	(270,000)	(90,000)
Proceeds from sale of financial assets at fair value through profit or loss	150,077	150,496
Payments for property, plant and equipment	(41,199)	(42,464)
Increase in refundable deposits	(433)	(214)
Payments for intangible assets	(38,373)	(25,477)
Net cash used in investing activities	<u>(199,944)</u>	<u>(8,175)</u>

(Continued)

SONIX TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	\$ 469	\$ 41,274
Dividends paid to owners of the Company	<u>(956,899)</u>	<u>(352,542)</u>
Net cash used in financing activities	<u>(956,430)</u>	<u>(311,268)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,716	539,033
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,012,971</u>	<u>473,938</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,067,687</u>	<u>\$ 1,012,971</u>

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

(Concluded)

Comparison of the original and the amended "Corporate Social Responsibility Policy"

Amended Article	Original Article	Explanation
Name: Sustainable Development Best Practice Principles	Name: Corporate Social Responsibility Best Practice Principles	Cooperate with the amendment of the law.
Article 1: In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, in accordance with the "Sustainable Development Best Practice Principles of TWSE and OTC listed Companies" and relevant laws and regulations, Sonix (the Company) has formulated this Practice Principles for compliance. The scope of this principles covers the overall operating activities of the Company and its group companies.	Article 1: In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, in accordance with the "Corporate Social Responsibility Principles of TWSE and OTC listed Companies" and relevant laws and regulations, Sonix (the Company) has formulated this Practice Principles for compliance. The scope of this principles covers the overall operating activities of the Company and its group companies.	
Article 2: The Company actively fulfills <u>sustainable development</u> while engaging in its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u> .	Article 2: The Company actively fulfills <u>corporate social responsibility</u> while engaging in its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>corporate social responsibility</u> .	
Article 3: The Company implements <u>sustainable development</u> in its corporate management guidelines and business operations, <u>shall</u> consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. (Omitted)	Article 3: The Company implements <u>corporate social responsibility</u> in its corporate management guidelines and business operations, due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. (Omitted)	
Article 4: To implement <u>sustainable development</u> initiatives, The Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate <u>sustainable development</u> information.	Article 4: To implement <u>corporate social responsibility</u> initiatives, The Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <u>corporate social responsibility</u> information.	

Amended Article	Original Article	Explanation
<p>Article 5 :The Company should take into consideration the correlation between the development of domestic and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, <u>and concrete promotion plans</u> for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. <u>When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</u></p>	<p>Article 5: The Company should take into consideration the correlation between the development of domestic and international <u>corporate social responsibility</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p>	
<p>Article 6: The board of directors of the company shall exercise the due care of good administrators to urge the company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation from time to time and continually adjust so as to ensure the thorough implementation of its <u>sustainable development</u> policies.</p> <p>The board of directors of the company is advised to consider to the interests of stakeholders, including the following matters, in the company's performance of its <u>sustainable development</u> initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the company's corporate social responsibility mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; 2.Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying 	<p>Article 6: The board of directors of the company shall exercise the due care of good administrators to urge the company to perform its <u>corporate social responsibility</u> initiatives, examine the results of the implementation from time to time and continually adjust so as to ensure the thorough implementation of its <u>corporate social responsibility</u> policies.</p> <p>The board of directors of the company is advised to consider to the interests of stakeholders, including the following matters, in the company's performance of its <u>corporate social responsibility</u> initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the company's <u>corporate social responsibility</u> mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines; 2.Making <u>corporate social responsibility</u> the guiding principle of the company's operations and development, and 	

Amended Article	Original Article	Explanation
concrete promotional plans for <u>sustainable development</u> initiatives; and	ratifying concrete promotional plans for <u>corporate social responsibility</u> initiatives; and	
3.Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information -Omitted-.	3.Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information -Omitted-.	
Article 7 :In order to improve the management of <u>sustainable development</u> , the company shall establish a concurrently dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and <u>concrete promotional plans</u> and to report on the same to the board of directors on a periodic basis.	Article 7:In order to improve the management of <u>corporate social responsibility</u> , the company shall establish a concurrently dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.	
Article 8 : The company based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.	Article 8 :The company based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.	
Article 10 : The company shall endeavor to <u>utilize energy</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Article 10: The company shall endeavor to <u>utilize all resource</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	
Article 14: The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures. -Omitted-	Article 14 :The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>climate issues</u> related measures. -Omitted-	
Article 25: The company <u>shall</u> evaluate the <u>impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</u> -Omitted-	Article 25:The company shall evaluate the impact of its purchase behavior on the community, and cooperate with vendors to implement corporate social responsibility. -Omitted-	

Amended Article	Original Article	Explanation
Chapter 5 Enhancing Disclosure of <u>Sustainable development</u> Information	Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information	
Article 26: The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency.	Article 26: The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.	
Article 27 : The company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of their implementation of the <u>sustainable development</u> policy. It is also advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.	Article 27: The company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> reports, to disclose the status of their implementation of the <u>corporate social responsibility</u> policy. It is also advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.	
Article 28: The companies shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.	Article 28: The companies shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve their established <u>corporate social responsibility</u> framework and to obtain better results from the implementation of the corporate social responsibility policy.	
Article 29: This Code shall take effect after being approved by the Board of Directors, and the same shall apply when it is amended.	Article 29: This Code shall take effect after being approved by the Board of Directors and <u>reported to the shareholders meeting</u> and then the same shall apply when it is amended.	
Article 30: This code of conduct was made on November 9, 2016. The first amendment was made on March 13, 2020. <u>The second revision was on February 23, 2022.</u>	Article 30: This code of conduct was made on November 9, 2016. The first amendment was made on March 13, 2020.	The date of this amendment was added.

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

Amended Article	Original Article	Explanation
<p>Article 4: When the company acquiring or disposing of assets, the execution unit shall submit a decision after a feasibility assessment of the reasons for the proposed acquisition or disposal, the subject matter, the counterparty of the transaction, the transfer price, the terms of receipt and payment, and the reference basis for price determination.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers</p>	<p>Article 4: When the company acquiring or disposing of assets, the execution unit shall submit a decision after a feasibility assessment of the reasons for the proposed acquisition or disposal, the subject matter, the counterparty of the transaction, the transfer price, the terms of receipt and payment, and the reference basis for price determination.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers</p>	<p>Cooperate with the amendment of the law.</p>

Amended Article	Original Article	Explanation
<p>is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>-Omitted-</p> <p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified</p>	<p>is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>-Omitted-</p> <p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified</p>	

Amended Article	Original Article	Explanation
<p>public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p><u>When issuing valuation reports or opinions, the personnel referred to in the preceding paragraph shall follow the self-discipline regulations and related matters of the respective trade associations to which they belong.</u></p>	<p>public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	
<p>Article 9:Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures</p>	<p>Article 9:Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures</p>	

Amended Article	Original Article	Explanation
<p>adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:the transaction amount reaches NT\$5 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A.Trading of domestic government bonds. Or foreign public bonds with a credit rating not lower than my country's sovereign rating.</p> <p>B.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows:</p> <p>1.The amount of any individual transaction.</p> <p>2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p>	<p>adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:the transaction amount reaches NT\$5 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A.Trading of domestic government bonds. Or foreign public bonds with a credit rating not lower than my country's sovereign rating.</p> <p>B.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows:</p> <p>1.The amount of any individual transaction.</p> <p>2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p>	

Amended Article	Original Article	Explanation
<p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1.Change, termination, or rescission of a contract signed in regard to the original transaction. 2.The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3.Change to the originally publicly announced and reported information. 	<p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1.Change, termination, or rescission of a contract signed in regard to the original transaction. 2.The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3.Change to the originally publicly announced and reported information. 	
<p>Article 12: -Omitted-</p> <p>With respect to the types of transactions listed below, when to be conducted between company and parent or subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, within NT\$400 million, the chairman will decide first and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>A.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>B.Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>If the company or a subsidiary of a non-domestic public company has the third transaction, and the transaction amount is more than 10% of the company's total assets, the company shall submit the documents listed in the third paragraph to the shareholders' meeting for approval before signing. Transaction contract and payment. However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</u></p> <p>The transaction amounts calculate shall be made in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by <u>Annual Shareholders' Meeting</u>、the audit committee and board of directors need not be counted toward the transaction amount.</p>	<p>Article 12: -Omitted-</p> <p>With respect to the types of transactions listed below, when to be conducted between company and parent or subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, within NT\$400 million, the chairman will decide first and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>A.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>B.Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>The transaction amounts calculate shall be made in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and board of directors need not be counted toward the transaction amount.</p>	

Amended Article	Original Article	Explanation
<p>Article 25: The Procedure was established on April 10, 1999. (Omitted) The 11th amendment was made on June 16, 2021. <u>The 12th amendment was made on June 21, 2022.</u></p>	<p>Article 25: The Procedure was established on April 10, 1999. (Omitted) The 11th amendment was made on June 16, 2021.</p>	<p>The date of this amendment was added.</p>

Article of Incorporation

Chapter 1 General Principles

- Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 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 law, 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 shall have its head office in Hsinchu County, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.

Chapter 2 Shares

- Article 5: The total capital stock of the Company shall be in the amount of 2.5 billion New Taiwan Dollars, divided into 250 million shares(including 25 million shares of warrants and corporate bonds with warrants), at 10 New Taiwan Dollars each, to be issued in installments. 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 annual 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: annual and special. Annual 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 annual 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.

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 Audit Committee

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 directors 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 three 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 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 establishing an audit committee are adopted pursuant to Article 14-4, of the

Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

- Article 16-2: 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.
- Article 17: If the number of director vacancies reaches one-third or all independent directors 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 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.
- 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 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, If no appointment is made, the director shall elect a person to act on his 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: -delete-
- 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.

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.

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 annual shareholders' meeting for adoption in accordance with the law: (1) business report (2) financial statements (3) earnings distribution proposal or loss make-up proposal.

Article 28: When the Company has an amount of profit (the term "an amount of profit" means pre-tax benefits deducted the benefits before employees' and directors' remuneration), shall allocate not less than 10% as employees' remuneration, not more than 5% as directors' remuneration. However, the company's accumulated losses (including adjusted unappropriated earnings) shall have been covered.

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 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.

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.

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: In regard to all matters not provided in these Articles of Incorporation, the "Company Act" of the Republic of China or other related regulations shall govern.

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.
The 20th amendment was made on June 16, 2021.

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.

Sonix Technology Co., Ltd.

Appendix 3

Shareholdings of all Directors

1. Total shares issued as of April 22, 2022: 167,877,062 common shares.
2. The minimum number of shares held by all directors of the Company shall be 10,072,623.

Date: April 22, 2022

Title	Name	Shares	Shareholding (%)
Chairman	James Pao	4,549,318	2.71%
Director	Samuel Chen	7,270,261	4.33%
Director	Chan Yee Hsiung	3,388,219	2.02%
Director	Daniel Pan	2,220,515	1.32%
Director	Chris Ko	578,602	0.34%
Director	Ching Hui Kuo	368,907	0.22%
Independent director	Kao Chung Tsai	0	0%
Independent director	Chih cheng Chou	0	0%
Independent director	Mao Tien Shen	0	0%
Total number of shares held by all directors		18,375,822	10.94 %

Appendix 4

Effect of the stock dividends on the Company's operating results, earnings per share and shareholders' return on investment: Not Available.