

Egis Technology Inc.

2018 ANNUAL SHAREHOLDER'S MEETING MINUTES

Stock Code:6462

Time: May 30, 2018 (Wednesday) at 9 a.m.

Place: 2F, No. 327, Section 1, Tiding Boulevard, Neihu District, Taipei City (Lily Conference)

Total outstanding Egis shares : 70,980,254 shares

Total shares represented by shareholders present in person or by proxy : 35,722,227 shares

Percentage of shares held by shareholders present in person or proxy : 50.32%

Directors present : Steve Ro 、 HEADWAY CAPITAL LIMITED

Representative: Gong-YI Lin 、 HEADWAY CAPITAL LIMITED

Representative: Yi Pin Lee 、 Shih-Hao Ro 、 Ding- Jeng Liu(Independent
Director)

Chairman : Dr. Steve Ro, the Chairman of the Board of Directors

Recorder : Chloe Kang

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

A.Chairman's Address (omitted)

B.Report Items

Proposal 1 : The 2017 Annual Business Report of this Company.(Please refer Exhibit 1)

Proposal 2 : The 2017 Annual Statements of this Company reviewed by the Audit
Committee.(Please refer Exhibit 2)

Proposal 3 : 2017 Employee Remuneration and Director Remuneration Distribution Plans.

The profit situation of the Company in 2017 is NTD 778,678,505. Profit distribution shall be carried out in accordance with the provisions of Article 24 in the Articles of Incorporation of the Company and the Company Act, thus 5% of the net profit before tax, that is, NTD 38,940,000, shall be set aside as employee remunerations; and 1% of the profit before tax, that is,

NTD 7,780,000, shall be set aside as director remunerations; the profit shall be distributed in the form of cash.

Proposal 4 : Amendment of “2017 Regulations on the Issuance of New Restricted Employee Shares”.

The “2017 Regulations on the Issuance of New Restricted Employee Shares” amended by the Company has been approved and filed for record based on letter FSC Securities Issuance No. 1060050973 issued by Financial Supervisory Commission (FSC) on January 11, 2018. (Please refer Exhibit 3)

Proposal 5 : Implementation of 2017 Comprehensive Annual Business Plan. (Please refer Exhibit 4)

Proposal 6 : Formulation of Regulations for First Share Repurchase of the Company and Implementation of Share Repurchase of the Company. (Please refer Exhibit 5)

C.Ratified

Proposal 1

Proposed by the Board of Directors

Subject matter : Ratification of 2017 Annual Business Report and Financial Statements.

Explanation :

- (1) The 2017 Annual Individual Financial Statements and Consolidated Financial Statements of the Company have been duly audited by the Certified Public Accountants of KPMG Taiwan, Steven Shih and Philip Tang, and an unqualified opinion report has been issued for filing. The said Financial Statements and unqualified opinion report have been submitted together with the 2017 Annual Business Report to the Audit Committee for review.
- (2) The Audit Report, Individual and Consolidated Financial Statements (please refer to Exhibit 6), and Business Report (please refer to Exhibit 1) are enclosed herewith.
- (3) The above is submitted for ratification.

Voting Results: Shares present at the time of voting: 35,722,227 (votes casted electronically: 14,984,278 votes)

Voting Results*		% of the total represented share present
Votes in favor:	32,133,437 votes (11,511,488 votes)	89.95%

Votes against :	17,024 votes (17,024 votes)	0.05%
Votes invalid or abstained:	3,571,766 votes (3,455,766 votes)	10.00%

*including votes casted electronically (number in brackets)

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

Proposal 2

Proposed by the Board of Directors

Subject matter : Ratification of 2017 Earnings Distribution Plan.

Explanation : (1)The net profit after tax of the Company in 2017 is NTD 593,191,299, and after an appropriation of 10%, that is NTD 59,319,130, to the legal reserve, an earnings distribution table is drafted in accordance with the Articles of Incorporation of the Company (please refer to Exhibit 7).

(2) The above is submitted for resolution.

Voting Results: Shares present at the time of voting: 35,722,227 (votes casted electronically: 14,984,278 votes)

Voting Results*		% of the total represented share present
Votes in favor:	32,131,437 votes (11,509,488 votes)	89.95%
Votes against :	19,024 votes (19,024 votes)	0.05%
Votes invalid or abstained:	3,571,766 votes (3,455,766 votes)	10.00%

*including votes casted electronically (number in brackets)

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

D. Discussion

Proposal 1

Proposed by the Board of Directors

Subject matter: Amendment of some clauses in "Articles of Incorporation" of the Company.

Explanation: (1) In order to strengthen corporate governance, amendment of the "Articles of Incorporation" according to the provisions of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies is proposed. (Please refer to Exhibit 8)

(2) The above is submitted for resolution.

Voting Results: Shares present at the time of voting: 35,722,227 (votes casted electronically: 14,984,278 votes)

Voting Results*		% of the total represented share present
Votes in favor:	32,124,437 votes (11,502,488 votes)	89.93%
Votes against :	20,024 votes (20,024 votes)	0.06%
Votes invalid or abstained:	3,577,766 votes (3,461,766 votes)	10.01%

*including votes casted electronically (number in brackets)

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

Proposal 2

Proposed by the Board of Directors

Subject matter: Amendment of some clauses in "Operating Procedures for Acquisition or Disposal of Assets" of the Company.

Explanation:(1) In view of business and actual operational needs, amendment of the relevant clauses in the "Operating Procedures for Acquisition or Disposal of Assets" of the Company is proposed. (Please refer to Exhibit 9)

(2) The above is submitted for resolution.

Voting Results: Shares present at the time of voting: 35,722,227 (votes casted electronically: 14,984,278 votes)

Voting Results*		% of the total represented share present
Votes in favor:	25,981,121 votes (5,359,172 votes)	72.73%
Votes against :	4,170,290 votes (4,170,290 votes)	11.67%
Votes invalid or abstained:	5,570,816 votes (5,454,816 votes)	15.60%

*including votes casted electronically (number in brackets)

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

E.Extemporary Motions : None

F.Adjournment of Meeting : 9:25 a.m., May 30, 2018.

[Exhibit 1]
Egis Technology Inc.
2017 Annual Business Report

The 2017 Annual Business Achievements and Business Plan Report is provided as follows:

1. **2017 Annual Business Achievements**

(1) 2017 Annual Business Plan Implementation Outcomes

The consolidated operating revenue of the Company for 2017 amounted to NTD 4,731,908,000, representing an increase of NTD 3,058,640,000 from 2016, which is equivalent to a growth rate of 183%; the net profit before tax is NTD 735,886,000 and net profit after tax is NTD 593,191,000, and the consolidated net profit for the current period is NTD 590,583,000.

Unit: NTD '000

Item	2016	2017
Operating revenue	1,673,268	4,731,908
Gross operating profit	755,801	1,822,175
Net operating profit (loss)	136,019	776,643
Non-operating revenue and expenditure	22,733	(40,757)
Net profit (loss) before tax	158,752	735,886
Net profit (loss) after tax	114,026	593,191
Total comprehensive income for the current period	114,707	590,583
Basic earnings per share (NTD)	1.66	8.50

(2) Status of Budget Implementation

The Company did not disclose the financial forecast for 2017.

(3) Analysis of Financial Revenue and Expenditure and Profitability

Item		2016	2017
Financial structure	Liabilities to assets ratio (%)	37.50	37.59
	Permanent capital to property, plant and equipment ratio (%)	6,531.60	6,706.80
Solvency	Current ratio (%)	232.49	237.53
	Quick ratio (%)	168.75	181.46
Profitability	Return on assets (%)	5.68	19.63
	Return on equity (%)	7.84	31.04
	Pure rate of return (%)	6.81	12.54
	Earnings per share (NTD)	1.66	8.50

(4) Status of Research and Development

Status of Research and Development

Item	Research and Development Plan	Description of Plan
Algorithm	G3 matching algorithm	The G3 fingerprint matching algorithm can extract a large number of fingerprint feature points on a very small area of the image to optimize recognition efficiency and reliability performance. It has been applied to the newly-marketed flagship mobile phones of major customers.
	Swipe enroll/touch verify	The innovative swipe-type fingerprint registration algorithm can capture 20 fingerprint images in a single swiping motion. As compared to the previous push-type registration where the user must press his/her finger up to 20 times in order to capture the complete fingerprint features, the swipe-type fingerprint registration has not only significantly improved the user experience, but has also maintained excellent fingerprint recognition performance; it has been adopted by major customers in newly marketed

		flagship mobile phones.
Hardware Products	ET5XX series	This capacitive fingerprint recognition chip series, having an optimized cost structure, can be mounted under a cover of 100 um to 150 um thickness.
	ET6XX series	This capacitive fingerprint recognition chip series, having optimized sensing acuity, can be mounted under a cover of 200 um to 300 um thickness.
	ET7XX series	In response to the latest trend of full-screen mobile phones, the under-screen fingerprint recognition solution is provided using this optical fingerprint recognition chip series which can be mounted under a glass cover of 700 um to 1,400 um thickness.
	3D Face ID	A facial recognition scheme based on 3D sensing technologies such as structured light and time of flight (ToF).

2. Overview of 2018 Annual Business Plan

(1) Operational Strategy

In response to the gradual maturity and growing application of biometric recognition technology, the Company is committed to boosting the technological advancement of capacitive fingerprinting and promoting the multiple applications of fingerprint chips, further investing in optical fingerprint recognition, facial recognition (Face ID), iris recognition, and other technological research and development efforts to maintain the Company's technological leadership in the field of biometric recognition; while expanding the emerging applications of biometric recognition in various industries, including smart phones, mobile devices, financial payments, automotive electronics, etc. will be the main business direction of the Company, with the goal of expanding the market territory and being the first to enter the market.

(2) Expected Sales Volume and its Basis

The company's total revenue for 2017 was NTD 4.731 billion, which is a growth rate of multiples, setting a record high. In addition to the continuous growth of existing customers in 2018 and the expansion of the fingerprint chip application

models to include the flagship model, the Company has also made progress with new customers of major mobile phone brands in Mainland China, with successive shipments of products to Mainland China this year. Therefore, it is expected that the Company's operations this year will likely grow in double digits, with continued expansion of its global market share in fingerprint recognition chip products.

(3) Significant Production and Sales Policies

In response to the continuous increase in demands by customers from different markets, strengthening the management and control of cost and the management of inventory are important for production and sales management this year. Therefore, the estimation and guarantee of chip fabrication plant capacity, as well as the confirmation of production and sale time shall continue to be improved. In addition, with regard to the management and control of the overall supply chain, the certification and introduction of second-party manufacturers and new suppliers will also continue uninterruptedly to ensure continuous improvement in the quality of products supplied, stable and flawless supply sources, while optimizing the cost structure and strengthening market competitiveness.

3. Future Development Strategy of the Company

(1) Short-Term

1. In the area of hardware development: to strengthen cooperation with customers. At the same time, the integration of software resources and engineering test field support should also comply with customer requirements. Therefore, continuous improvement is required in the recruitment and development of new engineering personnel.
2. In terms of process improvement: to work closely with chip fabrication plants to achieve the objective of lowering cost by adopting more efficient methods.
3. In terms of new product development: to confirm specifications and pre-development implementation plans with customers as soon as possible.

(2) Long-Term

1. To strengthen the core competitiveness of product design and better understand and more rapidly grasp market trends.
2. Investment in new products and new technologies shall be carried out through market mergers and acquisitions or the introduction of new teams to accelerate the schedule for product introduction.
3. Various innovative biometric solutions shall be jointly developed with strategic partners to grasp business opportunities while reducing research and

development risks.

4. Impact of External Competitive Environment, Legal Environment and Overall Business Environment

Apple's introduction of fingerprint recognition on iPhone 5S has ignited the rapid development of fingerprint recognition in smart phone applications, which has become a basic feature of middle- and high-end smart phones nowadays. In 2017, global shipments of smart phones equipped with fingerprint sensors reached 920 million units, with a penetration rate of approximately 64%. It is estimated that by 2020, shipments of smart phones equipped with fingerprint sensors will reach 1.25 billion units, and the penetration rate will exceed 75%. (Source of Data: DIGITIMES Research)

Apart from smart phones, there are endless business opportunities for fingerprint recognition in multiple applications such as other mobile devices, mobile payment, automotive electronics, and financial smart cards, etc. With the rapid development and growth of applications, the competition in the market of fingerprint recognition is becoming more and more fierce. The originally leading Swedish manufacturer, Fingerprint Cards (FPC), suffered a sharp drop in the average selling price (ASP) and operating profit rate, and it is estimated that its 2017 revenue will drop by 53% as compared with 2016. In contrast, after joining the competition in the fingerprint sensor market, the revenue forecast of Shenzhen Goodix Technology, a mainland company reinvested by Mediatek, in 2017 is a 25% growth, and it is expected to surpass FPC to become the world's largest supplier of fingerprint sensors.

The Company has deeply plowed the fingerprint recognition industry for many years; it adopted a passive capacitive-sensing principle in the design of fingerprint recognition chips and it has autonomously-developed algorithms and hundreds of patents upstream and downstream of the fingerprint recognition industry, and these are important product and technology niches. Relying on profound research and development strength, the Company has become one of the leading players in the market and the way to maintain the Company's competitive advantage will be a crucial factor in determining its position as a biometric leader in the next phase.

Looking at the global trend, full-screen mobile phone shipments has exceeded 100 million in 2017; and looking to the future, such shipments will rise to nearly 900 million in 2018, with the global penetration rate reaching 61%. In response to the development trend of full-screen smart phones as the mainstream, the under-screen fingerprint recognition scheme can increase the market share of screen phones, and all manufacturers are eager to invest in such research and development. Relying on its long-term accumulated fingerprint recognition capabilities, the Company recruited new

research and development teams and technology partners to develop optical fingerprint recognition chips, and has made significant progress. At the same time, the Company has also cooperated with customers for initial incorporation of under-screen fingerprint recognition solutions into the customers' products.

In addition, with the launch of Apple iPhone X in 2017, a wave of 3D facial recognition has been created. It is expected that Android mobile phones will also strive to incorporate the facial recognition unlock and payment functions. However, due to security concerns in facial recognition, the market generally believes that this is aimed at future financial or other application scenarios with high security and confidentiality requirements, and it is likely that any two of facial, fingerprint or iris recognition or password will be adopted concurrently. In response to this trend, the Company has also launched facial recognition research and development based on 3D sensing technologies such as structured light and time of flight (ToF), as well as an iris recognition scheme. At the same time, it is committed to developing chip-based solutions that are more cost-effective than the market's existing technologies, which will facilitate the introduction of applications to customers' products and accelerate time to market.

The biometric recognition chip product line of the Company will continue to follow process evolution and move towards high-resolution, high-recognition rate and multi-specification development; it will develop new applications and forms, and expand the field of applications in meeting customer demands, thus maintaining the long-term industrial competitiveness of the Company. The future trend of hardware design will make deeper efforts towards environment protection in the areas of saving energy and reducing carbon, and the Company will work with upstream and downstream manufacturers to develop products that match this goal, while fulfilling its corporate social responsibility.

Chairman: Steve, Ro [seal:] Steve, Ro

General Manager: Steve, Ro [seal:] Steve, Ro

Accountant-in-charge: Kathy Huang [seal:] Kathy Huang

[Exhibit 2]

Audit Committee's Audit Report

Approval is hereby granted.

With regard to the 2017 Individual Financial Statements, Consolidated Financial Statements, Business Report and Earnings Distribution Table of the Company that were submitted by the Board of Directors, the 2017 Individual Financial Statements and Consolidated Financial Statements have been duly audited by the Certified Public Accountants of KPMG Taiwan, Steven Shih and Philip Tang, and the Audit Report was issued.

No issue of non-compliance was found in the various statements and reports issued by the Board of Directors above upon audit by this Audit Committee. Therefore, in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this Report is issued for your verification.

Best Regards

Egis Technology Inc. 2018 Annual General Meeting

Convenor of Audit Committee: Ting-Jen Liu [seal:] Ting-Jen Liu

March 05, 2018

[Exhibit 3]

Comparison Table of Pre- and Post-Amendment Clauses of
2017 Regulations on the Issuance of New Restricted Employee Shares

Clause No.	Amended Clause	Currently Implemented Clause	Reason
Article 5	<p>(2) Vesting Condition: This is divided into two categories, A and B, and the vesting condition shall be based on personal performance.</p> <p>1. Category A Vesting Condition</p> <p>(1) Employees who are still serving the Company one year after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>(2) Employees who are still serving the Company two years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>(3) Employees who are still serving the Company three years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>2. Category B Vesting Condition</p> <p>(1) Employees who are still serving the Company in the</p>	<p>(2) Vesting Condition: This is divided into two categories, A and B, and the vesting condition shall be based on personal performance.</p> <p>1. Category A Vesting Condition</p> <p>(1) Employees who are still serving the Company one year after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period will receive 30% of the shares.</p> <p>(2) Employees who are still serving the Company two years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period will receive 30% of the shares.</p> <p>(3) Employees who are still serving the Company three years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period will receive 40% of the shares.</p> <p>2. Category B Vesting Condition</p> <p>(1) Employees who are still serving the Company in the</p>	<p>In line with the actual operations of share allotment and the competent authority's requirements during the period, the standards for such allotment shall be specified in the Regulations.</p>

Clause No.	Amended Clause	Currently Implemented Clause	Reason
	<p>year of allotment of new restricted employee shares, whose personal performance has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>(2) Employees who are still serving the Company one year after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>(3) Employees who are still serving the Company two years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period <u>will receive 1/3 of the shares.</u></p> <p>3. In accordance with the Regulations for Performance Appraisal Management of the Company, the results of the performance appraisal were divided into four categories, namely A (excellent), B (above average), C (average), and D (needs improvement). The personal performance-based vesting condition above refers to the personal performance meeting the performance targets of the Company, that is, the performance result shall be A (excellent) or B (above average); those who meet such</p>	<p>year of the expiration date of allotment of new restricted employee shares, whose personal performance has met the performance targets set by the Company, and who have made due contributions during the said period will receive 1/3 of the shares.</p> <p>(2) Employees who are still serving the Company one year after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period will receive 1/3 of the shares.</p> <p>(3) Employees who are still serving the Company two years after the expiration date of allotment of new restricted employee shares, whose personal performance in the year prior to the expiration date has met the performance targets set by the Company, and who have made due contributions during the said period will receive 1/3 of the shares.</p> <p>3. The aforementioned personal performance refers to the performance achieved during each term of office, including due contributions and special merits achieved.</p>	

Clause No.	Amended Clause	Currently Implemented Clause	Reason
	performance results are deemed as having met the level of contribution required for the relevant positions.		

[Exhibit 4]

Implementation of

2017 Comprehensive Annual Business Plan of Egis Technology Inc.

1. Financial Implementation:

The consolidated operating revenue of the Company for 2017 amounted to NTD 4,731,908,000, representing an increase of NTD 3,058,640,000 from 2016, which is equivalent to a growth rate of 183%; the net profit before tax is NTD 735,886,000 and net profit after tax is NTD 593,191,000, and the consolidated net profit for the current period is NTD 590,583,000.

Unit: NTD '000

Item	2016	2017
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Net profit (loss) before tax	158,752	735,886
Net profit (loss) after tax	114,026	593,191
Total comprehensive income for the current period	114,707	590,583
Basic earnings per share (NTD)	1.66	8.50

2. Business Implementation

(1) Industrial Supply and Demand Situation and Future Growth

In order to expand the market territory, the Company will continue to deepen its efforts in both South Korea and Mainland China, and will further strengthen the mainland market layout. Looking at the procurement strategy of mainland manufacturers, maintaining more than two suppliers has always been desired in principle. By leveraging on the foundation that we have laid, coupled with our advantages of product cost, patents and algorithms, we intend to deepen the supply chain of mainland mobile phone manufacturers. In addition, we will actively strive for major mobile phone brand customers and at the same time, cooperate with module manufacturers possessing technical and customer channels to deepen the Company's business penetration level.

The mainland market's three top online payment systems - CUP Mobile Payment, Alipay and WeChat Pay, have completed the infrastructure construction

for mobile payment operations, and are respectively integrated with Apple Pay and Samsung Pay, thus connecting them to the world. Furthermore, these three major online payment systems must all be combined with the mobile phone's identity recognition system, thus enhancing the security of payment.

With Apple's launch of iPhone 5S equipped with a fingerprint recognition chip in September 2013, and the subsequent release of iPhone 6 in October 2014 in which Apple Pay service was incorporated, thus combining fingerprint recognition with mobile payment function, Samsung also began offering Samsung Pay service at the beginning of August 2015, and fingerprint recognition has become an essential feature of smart phones henceforth. It is estimated that global shipments of smart phones equipped with fingerprint sensors will reach 920 million in 2017, achieving a penetration rate of approximately 64%; and in 2020, shipments of smart phones equipped with fingerprint sensors will reach 1.25 billion, achieving a penetration rate of more than 75% (data source: DIGITIMES Research).

The Company has deeply plowed the fingerprint recognition industry for many years; it adopted a passive capacitive-sensing principle in the design of fingerprint recognition chips and it has autonomously-developed algorithms and hundreds of patents upstream and downstream of the fingerprint recognition industry, and these are important product and technology niches. With strong research and development capabilities, the Company has become a market leader. In the current year, we also devoted ourselves to the development of various fingerprint recognition chip solutions that can save manufacturing costs and improve sensing sensitivity, and actively expand our product portfolio to fully meet the huge demand from different customers and application terminals.

Looking at the global trend, full-screen mobile phone shipments has exceeded 100 million in 2017; and such shipments will rise to nearly 900 million in 2018, with the global penetration rate reaching 61%. In response to the development trend of full-screen smart phones as the mainstream, the under-screen fingerprint recognition scheme can increase the market share of screen phones, and all manufacturers are eager to invest in such research and development. Relying on its long-term accumulated fingerprint recognition capabilities, the Company recruited new research and development teams and technology partners to develop optical fingerprint recognition chips, and has made significant progress. At the same time, the Company has also cooperated with customers for initial incorporation of under-screen fingerprint recognition solutions into the customers' products.

In addition, with the launch of Apple iPhone X in 2017, a wave of 3D facial

recognition has been created. It is expected that Android mobile phones will also strive to incorporate the facial recognition unlock and payment functions. However, due to security concerns in facial recognition, the market generally believes that this is aimed at future financial or other application scenarios with high security and confidentiality requirements, and it is likely that any two of facial, fingerprint or iris recognition or password will be adopted concurrently. In response to this trend, the Company has also launched facial recognition research and development based on 3D sensing technologies such as structured light and time of flight (ToF), as well as an iris recognition scheme. At the same time, it is committed to developing chip-based solutions that are more cost-effective than the market's existing technologies, which will facilitate the introduction of applications to customers' products and accelerate time to market.

According to the ABI Research Report, global industries will increase investment in various recognition and authentication technologies in response to rising security requirements, and the estimated output value of the global biometric market will exceed USD 10 billion by 2021.

Looking to the future, in the aspect of product technology, besides continuing to provide more advanced products in the existing field of capacitive fingerprint recognition chips and incorporating more biometric recognition technologies, the Company will also strive to develop a variety of software- and hardware-integrated solutions to improve the end-user experience and enhance the value-added features of the customers' products. For example, the Swipe Enroll function that the Company plans to introduce provides innovative swipe-type fingerprint registration, which can capture 20 fingerprint images in a single swiping motion. As compared to the previous push-type registration where the user must press his/her finger up to 20 times in order to capture the complete fingerprint features, the swipe-type fingerprint registration has not only significantly improved the user experience, but has also maintained excellent fingerprint recognition performance; it has been adopted by major customers in newly marketed flagship mobile phones.

In the aspect of product application, besides the continuous efforts to expand the application of fingerprints and various biometric recognition technologies in smart phones, mobile devices and wearable electronic products etc., the Company will also strive to expand such application in the following areas:

1. Financial Payments

Due to the rapid development of wireless networks, a variety of physical, virtual, online and offline financial transactions and payment methods are also

emerging, and in order to strengthen the security of transactions, major international financial institutions are actively looking for secure, fast and easy personal identification tools as anti-counterfeit security mechanisms for personal financial transactions or payments. The Company is also in active discussions with major international financial security agencies on collaborations in the development of integrated solutions with fingerprint recognition as the anti-counterfeit security mechanism for financial payments.

The Company is currently a member of the FIDO Alliance (Fast IDentity Online) International Standards Association, and has also actively participated in various meetings conducted by the Authentication Standards Setting Association. The Company also hopes that by joining the FIDO Alliance, the chips manufactured by the Company will be allowed into various new fields of application.

2. Smart Cities

The development of the Internet has also created a huge demand for “smart cities”. For instance, the various basic information construction in urbanization, such as: second-generation identity card, cloud government, home and city security, logistics management, and information services can be incorporated into the Company’s solutions as personal identification mechanisms, giving rise to huge business opportunities for the future.

3. Other Applications

The field of application of fingerprint recognition is not only limited to high-security-level anti-counterfeit security mechanisms. Fingerprint recognition can also serve as personal privacy protection functions, such as: password management of various accounts, database management, mailbox management, etc. of personal electronic devices. Furthermore, the absolute one-to-one feature of fingerprint recognition makes it even more suitable for incorporation into all kinds of consumer electronics products, providing fast and convenient personalized management functions for one’s daily life. These include: all devices that provide for personal needs such as automotive electronics and smart TV, etc.

(2) Continuous Innovation

1. Optical Fingerprint Recognition

In view of the demand for hidden fingerprint recognition modules at the bottom of the main screen of mobile phones, optical fingerprint recognition has become a technology that the Company will inevitably develop. Optical fingerprint recognition mainly taps on the principle of light refraction and

reflection; by pressing a finger against the mobile phone glass screen, light from the built-in source bounces off the finger to the optical device and upon processing by the optical device, it bounces back to the finger; in this case the angle of refraction of the radiated light on fingerprint peaks and valleys at the finger surface and the shade of the reflected light will be different. The reflected light is cast on a light sensor (such as CMOS or CCD), which forms a digitized gray-scale fingerprint image that can be processed by the fingerprint algorithm.

Optical fingerprint recognition devices have the advantages of strong anti-static ability, good system stability and long service life; they are able to provide high resolution images, in particular, to acquire fingerprint images over a relatively large area. However, where the area of fingerprint image acquisition is relatively large, the required focal length will be longer and the size of the acquisition device must also be bigger. Otherwise, the captured image will become linearly distorted.

In 2016, the Company began to collaborate with industry-leading companies engaged in the business of optical fingerprint recognition devices to develop a new-generation optical fingerprint recognition module with photoelectric fingerprint recognition function; at this point, preliminary research and development results have been achieved, and they will be published during the MWC conference in 2018.

2. Iris Recognition

The iris is a thin film located in front of the eye. It does not change after one year to one and a half years of human birth. It is therefore one of the very unique physiological features of humans. Iris recognition technology has been developed for quite a few years, but this recognition technology has become a hot topic due to its incorporation into Samsung Galaxy Note 7 phones. The principle of iris recognition is to capture the positions of the relevant features such as fibrous tissue, contraction groove, color, and width through the iris image scanning device. The advantage is that the iris is unique and difficult to be copied and imitated. As compared to the fingerprint and face, the iris has much more feature points, thus it is the biometric technology with the highest accuracy and safety, and the lowest error rate.

Like other biometric recognition systems, iris recognition consists of three parts: image acquisition, feature point extraction, and comparison. As far as the iris recognition system is concerned, image acquisition refers to the reading of retinal images by professional infrared cameras; feature point extraction is the process of extracting feature points after a series of complex

image processing calculations; and comparison refers to comparing the extracted feature points with the database to achieve the effect of identification or authentication. Apart from the infrared camera system for image acquisition, other feature point extraction and feature comparison technologies are all of the Company's expertise. Therefore, the Company has an excellent base for entry into the field of iris recognition, and it has also started to collaborate with industry-leading providers of iris recognition solutions to develop next-generation mobile phone applications in 2017.

3. 3D Facial Recognition

The process of facial recognition from academic research to commercialization has only been about 10 years. As compared with fingerprint recognition that has entered the phase of mature development and application, there is still considerable room for improvement for facial recognition. The face recognition technology in the past is mostly based on 2D recognition of images, which has long been seen in many application scenarios such as corporate attendance, access control, public security and community websites, etc.

With the recent launch of Apple's iPhone X, its built-in facial recognition feature that uses 3D depth-of-field ranging technology has generated heated discussions. It is expected that Android mobile phones will also strive to incorporate the facial recognition unlock and payment functions. However, how to upgrade 2D image recognition to reality recognition that integrates depth of field and 3D models, while increasing recognition reliability, such as preventing the loophole of recognition through the use of photographs, to the point that successful match is impossible even for two real persons with similar appearances, will influence whether 3D facial recognition can be further applied to emerging applications such as smart phones, financial security and mobile payment, etc.

In response to this trend, the Company has also launched facial recognition research and development based on 3D sensing technologies such as structured light and time of flight (ToF). At the same time, it is committed to developing chip-based solutions that are more cost-effective than the market's existing technologies, which will facilitate the promotion of product applications and accelerate the incorporation into customers' devices.

[Exhibit 5]

Egis Technology Inc.

Regulations for First Share Repurchase and Transfer to Employees

Article 1 (Purpose)

- (1) In order to motivate employees and enhance staff cohesion, the Company has formulated the “Regulations for First Share Repurchase and Transfer to Employees” (hereinafter referred to as “the Regulations”) in accordance with Article 28, Clause 2.1.1 of the Securities and Exchange Act, “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission, and other relevant provisions.
- (2) The transfer of shares purchased by the Company to employees shall be handled in accordance with the provisions of these Regulations, in addition to the relevant laws and regulations.

Article 2 (Categories of Transferred Shares, Content and Restriction of Rights)

The shares transferred to employees this time are ordinary shares. Their rights and obligations are the same as those of other common shares outstanding, except for those otherwise stipulated in relevant laws and regulations and this Regulations.

Article 3 (Period of Transfer)

The shares repurchased this time may be transferred to employees one or more times within three years from the date of share repurchase in accordance with the provisions of the this Regulations.

Article 4 (Eligibility of Assignees)

All regular employees of the Company and regular employees of subsidiaries (the term “subsidiaries” refer to common investees with more than 50% voting shares directly or indirectly held by the Company) who have served three months before the subscription record date and have made special contributions to the Company are eligible for subscription according to the number of subscribable shares stipulated in Article 5 of this Regulations, upon approval by the Chairman.

Article 5 (Determination of Number of Shares Subscribable by Employees)

The Company determines the number of shares subscribable by employees upon consideration of factors such as the employee’s job position, performance and special contribution to the Company, alignment with the Company’s long-term development, as well as the total number of shares repurchased by the Company at the subscription record date and the upper limit of the number of shares subscribable by any single employee, and reports to the Chairman of the Company for approval thereafter.

Article 6 (Transfer Procedures)

Operating procedures for repurchase of treasury stock and transfer to employees:

- (1) In accordance with the resolution of the Board of Directors, the Company shall announce, declare and repurchase the shares of the Company within the implementation period.
- (2) The Chairman of the Company shall, in accordance with this Regulations, determine and announce the employee subscription record date, the standard required for share subscription, the period for subscription payment and the content of the rights, etc. to be complied with.
- (3) Tabulation of actual subscribed shares and payment, and processing of registration for share transfer.

Article 7 (Transfer Price Per Share)

The transfer price for this share repurchase and transfer to employees shall be based on the average price of the actual repurchase. However, prior to the transfer, if there is an increase or decrease in the number of ordinary shares already issued by the Company, it may be adjusted according to the proportion of increase or decrease of the shares issued.

Formula for adjustment to transfer price:

Adjusted transfer price = average price of the actual repurchased shares × (total number of ordinary shares already issued at the time of declaration of share repurchase ÷ total number of ordinary shares already issued prior to the transfer of repurchased shares to employees)

Article 8 (Rights and Obligations upon Transfer)

After the repurchased shares are transferred to employees and registration of transfer is completed, the remaining rights and obligations shall be the same as those for the original shares, unless otherwise provided.

Article 9 This Regulations shall come into force after the resolution of the Board of Directors is adopted, and the same applies for amendment to this Regulations henceforth.

Article 10 This Regulations shall be submitted for reporting at the shareholders' meeting, and the same applies for amendment to this Regulations henceforth.

Article 11 This Regulations was formulated on March 05, 2018.

Implementation of Share Repurchase

Item	Number of Times First time
Date of Board Resolution	03/05/2018
Purpose of Repurchase	Transfer of shares to employees
Period of Repurchase	03/08/2018 – 05/05/2018
Expected Price Range of Repurchase	NTD 119 to NTD 286
Expected Quantity and Categories of Share Repurchase	1,410,000 ordinary shares
Quantity and Categories of Repurchased Shares	484,000 ordinary shares
Total Amount of Repurchased Shares	63,956,628 (Note)
Average Repurchase Price Per Share	132.14 (Note)
Quantity of Shares Sold and Transferred	0 share
Cumulative Shares of the Company Held	0 share
Proportion of Cumulative Shares of the Company Held to Total Quantity of Shares Issued	0.68%(Note)

Note: As the period of repurchase is until May 05, 2018 but the listed figures are as of April 27, 2018, thus a report shall be supplemented at this annual general meeting in the event of any changes to the relevant information such as the quantity of shares repurchased and the average repurchase price per share.



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Independent Auditors' Report

To the Board of Directors
Egis Technology Inc.:

Opinion

We have audited the accompanying parent-company-only financial statements of Egis Technology Inc. (the "Company"), which comprise the balance sheets as of December 31, 2017 and 2016, 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.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, 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 Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2017 are stated as follows:

1. Impairment of goodwill

Please refer to Note 4(l) "Impairment of non-financial assets" for the significant accounting policies on goodwill impairment, Note 5(a) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of goodwill impairment and Note 6(h) "Intangible assets" for the related disclosures.



Description of key audit matter:

For impairment test, the recoverable amount of goodwill of relevant cash generating units involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: evaluating the appropriateness of the discount rates used by management in estimating the recoverable amounts of goodwill by comparing them to internal and independent sources; assessing the appropriateness of future cash flow estimation and key assumptions (which include the appropriateness of sales growth rate, gross margin rate and operating expense ratio); comparing the results of past forecast and actual operating performance to verify the appropriateness of the method used in predicting the future cash flows.

2. Valuation of inventories

Please refer to Note 4(g) "Inventories" for the significant inventory accounting policies, Note 5(b) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation and Note 6(d) "Inventories" for the related disclosures.

Description of key audit matter:

The inventory of the Company is primarily the biometric fingerprint touch sensor to be integrated into the electronic products of the customers. Inventories are measured at the lower of cost and net realizable value. With the rapid development in technology, the advance of new electronic products may significantly affect customers' demands, which can lead to the obsolescence of the Company's inventory that may result in the cost of inventory to be higher than its net realizable value. Consequently, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: obtaining the inventory aging report; analyzing the fluctuation of aging inventory and selecting samples to verify their accuracy; inspecting the sales status of inventories during the subsequent period; evaluating whether the valuation of inventories was accounted for in accordance with the Company's accounting policies; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and compare them with the current year's calculation to verify the appropriateness of the estimation and assumption used for inventory valuation.

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent-company-only financial statements.

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

1. Identified and assessed the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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 auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided 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 determined those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wei-Ming Shih and Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2018

Notes to Readers

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

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC.

Balance Sheets

December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (notes 6(e) and (s))	\$ 1,123,511	31	838,225	34
1110 Financial assets at fair value through profit or loss – current (notes 6(b) and (s))	57,912	2	-	-
1170 Accounts receivable, net (notes 6(c) and (s))	729,289	20	407,697	16
130X Inventories (note 6(d))	699,553	19	548,791	22
1470 Prepayments and other current assets	64,581	2	46,073	2
1476 Other financial assets – current (notes 6(a)(s) and 8)	524,469	14	298,752	12
Total current assets	3,199,315	88	2,139,538	86
Non-current assets:				
1543 Financial assets carried at cost – non-current (note 6(e))	93,835	3	20,000	1
1550 Investments accounted for using equity method (note 6(f))	34,442	1	29,879	1
1600 Property, plant and equipment (note 6(g))	33,111	1	22,705	1
1780 Intangible assets (note 6(h))	200,641	6	217,136	9
1840 Deferred income tax assets (note 6(i))	50,690	1	55,204	2
1995 Other non-current assets (note 6(j))	9,531	-	4,790	-
Total non-current assets	422,250	12	349,714	14
Total assets	\$ 3,621,565	100	2,489,252	100
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (notes 6(f)(s)(i) and 8)	\$ 280,519	8	252,693	10
2170 Notes and accounts payable (notes 6(s) and (t))	642,598	18	468,119	19
2230 Current income tax liabilities	127,774	3	3,520	-
2399 Other payables (notes 6(c)(i) and 9)	306,592	8	205,565	8
Total current liabilities	1,357,483	37	929,897	37
Non-current liabilities:				
2570 Deferred income tax liabilities (note 6(i))	-	-	-	-
Total liabilities	1,357,483	37	929,897	37
Equity (notes 6(n) and (n)):				
3110 Common stock	704,908	20	688,393	28
3140 Common stock subscribed	4,415	-	7,180	-
3200 Capital surplus	942,038	26	742,625	30
Retained earnings:				
3310 Legal reserve	11,403	-	-	-
3350 Unappropriated earnings	695,814	19	114,026	5
Other equity interest:				
3411 Exchange differences on translation of foreign operations	3,238	-	5,846	-
3491 Deferred compensation cost arising from issuance of restricted stock	(97,734)	(2)	-	-
Total equity	2,264,082	63	1,559,070	63
Total liabilities and equity	\$ 3,621,565	100	2,489,252	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC.

Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
4000 Revenue (note 6(p))	\$ 4,731,908	100	1,673,268	100
5000 Costs of revenue (notes 6(d)(g) and 12)	<u>2,909,733</u>	<u>61</u>	<u>917,467</u>	<u>55</u>
Gross profit	<u>1,822,175</u>	<u>39</u>	<u>755,801</u>	<u>45</u>
Operating expenses (notes 6(c)(g)(h)(j)(k)(n)(q), 7 and 12):				
6100 Selling expenses	343,275	7	121,673	7
6200 Administrative expenses	173,342	4	95,866	6
6300 Research and development expenses	<u>521,702</u>	<u>11</u>	<u>370,408</u>	<u>22</u>
Total operating expenses	<u>1,038,319</u>	<u>22</u>	<u>587,947</u>	<u>35</u>
Operating income	<u>783,856</u>	<u>17</u>	<u>167,854</u>	<u>10</u>
Non-operating income and loss:				
7010 Other income (note 6(r))	22,151	-	20,503	1
7020 Other gains and losses, net (notes 6(r) and (t))	(53,724)	(1)	3,607	-
7050 Finance costs (note 6(r))	(9,206)	-	(1,592)	-
7060 Share of loss of subsidiaries accounted for equity method (note 6(f))	<u>(11,119)</u>	<u>-</u>	<u>(31,830)</u>	<u>(2)</u>
Total non-operating income and loss	<u>(51,898)</u>	<u>(1)</u>	<u>(9,312)</u>	<u>(1)</u>
Income before taxes	731,958	16	158,542	9
7950 Income tax expense (note 6(l))	<u>138,767</u>	<u>3</u>	<u>44,516</u>	<u>2</u>
Net income	<u>593,191</u>	<u>13</u>	<u>114,026</u>	<u>7</u>
Other comprehensive income :				
Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations (note 6(m))	(2,608)	-	681	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the year, net of taxes	<u>(2,608)</u>	<u>-</u>	<u>681</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 590,583</u>	<u>13</u>	<u>114,707</u>	<u>7</u>
Earnings per share (in New Taiwan dollars) (note 6(o)) :				
9750 Basic earnings per share	<u>\$ 8.50</u>		<u>1.66</u>	
9850 Diluted earnings per share	<u>\$ 8.41</u>		<u>1.63</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC.

Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings		Total other equity interest				Total equity
	Common stock	Unappropriated earnings (accumulated deficit)	Capital surplus	Legal reserve	Exchange differences translation of foreign operations	Deferred compensation arising from issuance of restricted stock	
Balance at January 1, 2016	\$ 684,693	(89,590)	749,662	-	5,165	-	1,349,930
Decrease in capital surplus to offset accumulated deficit	-	89,590	(89,590)	-	-	-	-
Issuance of common stock from exercise of employee stock options	3,700	-	50,098	-	-	-	60,978
Compensation cost of employee stock options	-	-	32,455	-	-	-	32,455
Net income in 2016	-	114,026	-	-	-	-	114,026
Other comprehensive income in 2016	-	-	-	-	681	-	681
Total comprehensive income in 2016	-	114,026	-	-	681	-	114,707
Balance at December 31, 2016	688,393	114,026	742,625	-	5,846	-	1,558,070
Appropriation and distribution of retained earnings:							
Legal reserve	-	(11,403)	-	11,403	-	-	-
Issuance of common stock from exercise of employee stock options	10,795	-	57,830	-	-	-	65,860
Compensation cost of employee stock options	-	-	14,993	-	-	-	14,993
Issuance of restricted employee stock	5,720	-	126,590	-	-	(132,310)	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	34,576	34,576
Net income in 2017	-	593,191	-	-	-	-	593,191
Other comprehensive income in 2017	-	(2,608)	-	-	(2,608)	-	(2,608)
Total comprehensive income in 2017	-	593,191	-	-	(2,608)	-	590,583
Balance at December 31, 2017	704,908	695,814	942,038	11,403	3,238	(97,734)	2,264,082

Note: For the years ended December 31, 2017 and 2016, the Company estimated its remuneration to directors amounting to \$7,787 and \$1,675, respectively, and the Company estimated its remuneration to employees amounting to \$38,934 and \$8,375, respectively, recognized as cost of operating expenses.

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC.

Statements of Cash Flows

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from operating activities:		
Income before income taxes	\$ 731,958	158,542
Adjustments for:		
Depreciation	13,735	14,320
Amortization	22,016	5,818
Net gain on financial assets at fair value through profit or loss	(71)	-
Interest expense	9,206	1,592
Interest income	(15,405)	(5,235)
Share-based payments	49,569	32,455
Share of loss of subsidiaries accounted for equity method	11,119	31,830
Loss on disposal of property, plant and equipment	12	-
Impairment loss on accounts receivable	24,560	-
	<u>114,741</u>	<u>80,780</u>
Changes in operating assets and liabilities:		
Accounts receivable	(346,152)	(326,548)
Inventories	(150,762)	(397,460)
Prepayments and other current assets	(17,575)	(29,737)
Notes and accounts payable	174,479	393,306
Other payables	104,127	57,766
Total changes in operating assets and liabilities	<u>(235,883)</u>	<u>(302,673)</u>
Cash provided by (used in) operations	610,816	(63,351)
Interest received	11,112	3,220
Interest paid	(9,115)	(1,477)
Income taxes paid	(11,626)	(40,652)
Net cash provided by (used in) operating activities	<u>601,187</u>	<u>(102,260)</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC.

Statements of Cash Flows (Continued)
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	<u>2017</u>	<u>2016</u>
Cash flows from investing activities:		
Purchase of financial assets at fair value through profit or loss	(57,841)	-
Increase in financial assets carried at cost	(73,835)	(20,000)
Purchase of investments accounted for using equity method	(18,290)	(47,512)
Acquisition to property, plant and equipment	(27,893)	(17,168)
Additions to intangible assets	(5,521)	(76,563)
Increase in other financial assets	(221,424)	(165,085)
Increase in refundable deposits	(4,783)	(2,438)
Net cash used in investing activities	<u>(409,587)</u>	<u>(328,766)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,929,570	363,132
Decrease in short-term borrowings	(1,901,744)	(140,439)
Proceeds from exercise of employee stock options	65,860	60,978
Net cash provided by financing activities	<u>93,686</u>	<u>283,671</u>
Net increase (decrease) in cash and cash equivalents	285,286	(147,355)
Cash and cash equivalents at beginning of year	<u>838,225</u>	<u>985,580</u>
Cash and cash equivalents at end of year	<u>\$ 1,123,511</u>	<u>838,225</u>

See accompanying notes to financial statements.



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Independent Auditors' Report

The Board of Directors
Egis Technology Inc.:

Opinion

We have audited the consolidated financial statements of Egis Technology Inc. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, 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.

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, 2017 and 2016, 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 the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance 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 Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2017 are stated as follows:

1. Impairment of goodwill

Please refer to Note 4(l) "Impairment of non-financial assets" for the significant accounting policies on goodwill impairment, Note 5(a) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of goodwill impairment and Note 6(g) "Intangible assets" for the related disclosures.



Description of key audit matter:

For impairment test, the recoverable amount of goodwill of relevant cash-generating units involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: evaluating the appropriateness of the discount rates used by management in estimating the recoverable amounts of goodwill by comparing them to internal and independent sources; assessing the appropriateness of future cash flow estimation and key assumptions (which include the appropriateness of sales growth rate, gross margin rate and operating expense ratio); comparing the results of past forecast and actual operating performance to verify the appropriateness of the method used in predicting the future cash flows.

2. Valuation of inventories

Please refer to Note 4(h) "Inventories" for the significant accounting policies, Note 5(b) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation and Note 6(d) "Inventories" for the related disclosures.

Description of key audit matter:

The inventory of the Group is primarily the biometric fingerprint touch sensor to be integrated into the electronic products of the customers. Inventories are measured at the lower of cost and net realizable value. With the rapid development in technology, the advance of new electronic products may significantly affect customers' demands, which can lead to the obsolescence of the Group's inventory that may result in the cost of inventory to be higher than its net realizable value. Consequently, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: obtaining the inventory aging report; analyzing the fluctuation of aging inventory and selecting samples to verify their accuracy; inspecting the sales status of inventories during the subsequent period; evaluating whether the valuation of inventories was accounted for in accordance with the Group's accounting policies; performing a retrospective review of the Group's historical accuracy of judgments with reference to inventory valuation and compare them with the current year's calculation to verify the appropriateness of the estimation and assumption used for inventory valuation.

Other Matter

Egis Technology Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have issued an unqualified audit opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identified and assessed 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. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



5. Evaluated 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. Obtained sufficient appropriate audit evidence regarding the financial information of the 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 remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided 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 determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wei-Ming Shih and Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2018

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
For the years ended December 31, 2017 and 2016
(Expressed Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Revenue (notes 6(o) and 14)	\$ 4,731,908	100	1,673,268	100
5000 Costs of revenue (notes 6(d)(f) and 12)	<u>2,909,733</u>	<u>61</u>	<u>917,467</u>	<u>55</u>
Gross profit	<u>1,822,175</u>	<u>39</u>	<u>755,801</u>	<u>45</u>
Operating expenses (notes 6(c)(f)(g)(i)(j)(m)(p), 7 and 12):				
6100 Selling expenses	354,003	8	134,793	8
6200 Administrative expenses	173,516	4	96,029	6
6300 Research and development expenses	<u>518,013</u>	<u>11</u>	<u>388,960</u>	<u>23</u>
Total operating expenses	<u>1,045,532</u>	<u>23</u>	<u>619,782</u>	<u>37</u>
Operating income	<u>776,643</u>	<u>16</u>	<u>136,019</u>	<u>8</u>
Non-operating income and loss:				
7010 Other income (note 6(q))	22,223	-	20,720	1
7020 Other gains and losses, net (notes 6(q) and (s))	(53,774)	(1)	3,605	-
7050 Finance costs (note 6(q))	<u>(9,206)</u>	<u>-</u>	<u>(1,592)</u>	<u>-</u>
Total non-operating income and loss	<u>(40,757)</u>	<u>(1)</u>	<u>22,733</u>	<u>1</u>
Income before taxes	735,886	15	158,752	9
7950 Income tax expense (note 6(k))	<u>142,695</u>	<u>2</u>	<u>44,726</u>	<u>2</u>
Net income	<u>593,191</u>	<u>13</u>	<u>114,026</u>	<u>7</u>
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
8360 Exchange differences on translation of foreign operations (note 6(l))	(2,608)	-	681	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of taxes	<u>(2,608)</u>	<u>-</u>	<u>681</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 590,583</u>	<u>13</u>	<u>114,707</u>	<u>7</u>
Earnings per share (in New Taiwan dollars) (note 6(n)) :				
9750 Basic earnings per share	<u>\$ 8.50</u>		<u>1.66</u>	
9850 Diluted earnings per share	<u>\$ 8.41</u>		<u>1.63</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity in interest	Total equity
	Common stock	Common stock subscribed	Capital surplus	Legal reserve	Unappropriated earnings (accumulated deficit)	Exchange differences on translation of foreign operations		
Balance at January 1, 2016	\$ 684,693	-	749,662	-	(89,590)	5,165	1,349,930	
Decrease in capital surplus to offset accumulated deficit	-	-	(89,590)	-	89,590	-	-	
Issuance of common stock from exercise of employee stock options	3,700	7,180	50,098	-	-	-	60,978	
Compensation cost of employee stock options	-	-	32,455	-	-	-	32,455	
Net income in 2016	-	-	-	-	114,026	-	114,026	
Other comprehensive income in 2016	-	-	-	-	-	681	681	
Total comprehensive income in 2016	-	-	-	-	114,026	681	114,707	
Balance at December 31, 2016	688,393	7,180	742,625	-	114,026	5,846	1,558,070	
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	-	11,403	(11,403)	-	-	
Issuance of common stock from exercise of employee stock options	10,795	(2,765)	57,830	-	-	-	65,860	
Compensation cost of employee stock options	-	-	14,993	-	-	-	14,993	
Issuance of restricted employee stock	5,720	-	126,590	-	-	(132,310)	-	
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	34,576	
Net income in 2017	-	-	-	-	593,191	-	593,191	
Other comprehensive income in 2017	-	-	-	-	-	(2,608)	(2,608)	
Total comprehensive income in 2017	-	-	-	-	593,191	(2,608)	590,583	
Balance at December 31, 2017	\$ 704,908	4,415	942,038	11,403	695,814	3,238	2,264,082	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(Expressed Thousands of New Taiwan Dollars)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Income before income taxes	\$ 735,886	158,752
Adjustments for:		
Depreciation	14,125	14,534
Amortization	22,016	5,818
Net gain on financial assets at fair value through profit or loss	(71)	-
Interest expense	9,206	1,592
Interest income	(15,477)	(5,282)
Share-based payments	49,569	32,455
Loss on disposal of property, plant and equipment	243	-
Impairment loss on accounts receivable	24,560	-
	<u>104,171</u>	<u>49,117</u>
Changes in operating assets and liabilities:		
Accounts receivable	(346,152)	(326,548)
Inventories	(150,762)	(397,460)
Prepayments and other current assets	(17,756)	(29,961)
Notes and accounts payable	174,479	393,306
Other payables	105,308	59,887
Total changes in operating assets and liabilities	<u>(234,883)</u>	<u>(300,776)</u>
Cash provided by (used in) operations	605,174	(92,907)
Interest received	11,172	3,266
Interest paid	(9,115)	(1,477)
Income taxes paid	(14,438)	(40,862)
Net cash provided by (used in) operating activities	<u>592,793</u>	<u>(131,980)</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from investing activities:		
Purchase of financial assets at fair value through profit or loss	(57,841)	-
Increase in financial assets carried at cost	(73,835)	(20,000)
Acquisition of property, plant and equipment	(28,075)	(18,062)
Proceeds from disposal of property, plant and equipment	13	-
Additions to intangible assets	(5,521)	(76,563)
Increase in other financial assets	(220,999)	(164,918)
Increase in refundable deposits	(3,766)	(2,711)
Net cash used in investing activities	<u>(390,024)</u>	<u>(282,254)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,929,570	363,132
Decrease of short-term borrowings	(1,901,744)	(140,439)
Proceeds from exercise of employee stock options	65,860	60,978
Net cash provided by financing activities	<u>93,686</u>	<u>283,671</u>
Effects of foreign exchange rate changes	(2,539)	653
Net increase (decrease) in cash and cash equivalents	293,916	(129,910)
Cash and cash equivalents at beginning of year	859,795	989,705
Cash and cash equivalents at end of year	<u>\$ 1,153,711</u>	<u>859,795</u>

See accompanying notes to consolidated financial statements.

[Exhibit 7]

Egis Technology Inc.
2017 Earnings Distribution Table

[seal:] Egis Technology Inc.

Unit: NTD '000

Item	Amount
Undistributed earnings at the beginning of period	102,623,835
Actuarial loss included in retained earnings	0
Undistributed earnings after adjustment	0
Net profit after tax for current period	593,191,299
Less: Appropriation to legal reserve	59,319,130
Earnings available for distribution in current period	636,496,004
-- Cash dividends (distribution of NTD 4.25 per share)	0 301,462,080
Undistributed earnings at the end of period	335,033,924

Note: The cash dividends shall be rounded down to the nearest dollar, and the total sum of fractional amounts less than a dollar shall be returned to the Company and recorded under the item of Other Revenue.

Person-in-charge: [seal:] Steve, Ro Manager: [seal:] Steve, Ro

Accountant-in-charge: [seal:] Kathy Huang

[Exhibit 8]

Comparison Table of Pre- and Post-Amendment Clauses of Articles of Incorporation of Egis Technology Inc.

Amended Clause		Currently Implemented Clause		Explanation
Article 16	<u>Deleted</u>	Article 16	Where the Company is organized by the government or a single juristic person shareholder, the duties and powers of the shareholders' meeting shall be exercised by the Board of Directors, to which the provisions governing the shareholders' meeting as set out in this Articles of Incorporation shall not apply.	Not applicable
Article 17	<p>The Company shall have 5-9 directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of office as three years. All directors shall be eligible for re-election. <u>A candidate nomination system shall be adopted for the directors, and they shall be elected from the list of director candidates by the shareholders.</u></p> <p>The Company shall elect independent directors from the aforementioned list, and there shall be at least three independent directors, representing at least one-fifth of the seats of directors. <u>With regard to the professional qualifications, shareholding and moonlighting restrictions of independent directors, nomination and election method for all directors,</u> and other compliance requirements, they shall be handled according to the relevant regulations of the competent authority.</p>	Article 17	<p>The Company shall have 5-9 directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of office as three years. All directors shall be eligible for re-election.</p> <p>The Company shall elect independent directors from the aforementioned list, and there shall be at least three independent directors, representing at least one-fifth of the seats of directors. A candidate nomination system shall be adopted for the independent directors, and they shall be elected from the list of independent director candidates by the shareholders. With regard to the professional qualifications, shareholding, moonlighting restrictions, nomination and election method, and other compliance requirements related to the independent directors, they shall be handled according to the relevant regulations of the competent authority.</p>	In line with corporate governance, the nomination system shall be adopted for the election of all directors.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Article 17</p>	<p>This Articles of Incorporation was concluded on December 11, 2007. The first amendment was made on December 26, 2007. The second amendment was made on February 25, 2008. The third amendment was made on May 05, 2008. The fourth amendment was made on May 28, 2008. The fifth amendment was made on June 04, 2010. The sixth amendment was made on September 24, 2010. The seventh amendment was made on June 15, 2011. The eighth amendment was made on June 15, 2012. The ninth amendment was made on December 10, 2013. The tenth amendment was made on October 17, 2014. The eleventh amendment was made on June 28, 2016. <u>The twelfth amendment was made on May 30, 2018.</u></p>	<p>This Articles of Incorporation was concluded on December 11, 2007. The first amendment was made on December 26, 2007. The second amendment was made on February 25, 2008. The third amendment was made on May 05, 2008. The fourth amendment was made on May 28, 2008. The fifth amendment was made on June 04, 2010. The sixth amendment was made on September 24, 2010. The seventh amendment was made on June 15, 2011. The eighth amendment was made on June 15, 2012. The ninth amendment was made on December 10, 2013. The tenth amendment was made on October 17, 2014. The eleventh amendment was made on June 28, 2016.</p>	<p>Dates of supplementation or amendment of clauses</p>
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[Exhibit 9]

Comparison Table of Pre- and Post-Amendment Clauses of “Operating Procedures for Acquisition or Disposal of Assets” of Egis Technology Inc.

Amended Clause	Currently Implemented Clause	Explanation
<p>Article 7: Operating procedures for acquisition or disposal of negotiable securities investments</p> <p>1. Evaluation and operating procedures</p> <p>(1) (Deleted)</p> <p>(2) For negotiable securities that are traded in centralized trading markets or business premises of securities dealers, the transaction price shall be determined based on market conditions. Where the amount for any single transaction is less than NTD 30 million <u>50 million</u> (inclusive) or the cumulative monthly amount is less than NTD 50 million <u>100 million</u> (inclusive), approval may be granted by the Chairman as authorized by the Company; where the amount for any single transaction exceeds NTD 30 million <u>50 million</u> or the cumulative monthly amount exceeds NTD 50 million <u>100 million</u> (excluding fixed-income negotiable securities with a tenor of one year or less), it may be implemented only upon deliberation and approval by the Board of Directors.</p> <p>(3) For negotiable securities that are not traded in centralized trading markets or the business premises of securities dealers, the transaction price shall be determined based on the most recent financial statements of the target company audited or certified by an accountant, with the net worth per share, profitability and future development potential, etc. of the said company taken into consideration. Where the amount for any single transaction is less than NTD <u>50 million</u> (inclusive) or the cumulative monthly amount is</p>	<p>Article 7: Operating procedures for acquisition or disposal of negotiable securities investments</p> <p>1. Evaluation and operating procedures</p> <p>(1) (Deleted)</p> <p>(2) For negotiable securities that are traded in centralized trading markets or business premises of securities dealers, the transaction price shall be determined based on market conditions. Where the amount for any single transaction is less than NTD 30 million (inclusive) or the cumulative monthly amount is less than NTD 50 million (inclusive), approval may be granted by the Chairman as authorized by the Company; where the amount for any single transaction exceeds NTD 30 million or the cumulative monthly amount exceeds NTD 50 million (excluding fixed-income negotiable securities with a tenor of one year or less), it may be implemented only upon deliberation and approval by the Board of Directors.</p> <p>(3) For negotiable securities that are not traded in centralized trading markets or the business premises of securities dealers, the transaction price shall be determined based on the most recent financial statements of the target company audited or certified by an accountant, with the net worth per share, profitability and future development potential, etc. of the said company taken into consideration. Where the amount for any single transaction is less than NTD 30 million (inclusive) or the cumulative monthly amount is less than NTD 50 million</p>	<p>Amendments shall be made in accordance with the management and actual operational requirements.</p>

Amended Clause	Currently Implemented Clause	Explanation
<p>less than NTD <u>100 million</u> (inclusive), approval may be granted by the Chairman as authorized by the Company; where the amount for any single transaction exceeds NTD <u>50 million</u> or the cumulative monthly amount exceeds NTD <u>100 million</u>, it may be implemented only upon deliberation and approval by the Board of Directors.</p>	<p>(inclusive), approval may be granted by the Chairman as authorized by the Company; where the amount for any single transaction exceeds NTD 30 million or the cumulative monthly amount exceeds NTD 50 million, it may be implemented only upon deliberation and approval by the Board of Directors.</p>	
<p>Article 11: Operating procedures for acquisition or disposal of commodity derivatives</p> <p>1. Trading principles and guidelines</p> <p>(1) (Deleted)</p> <p>(2) (Deleted)</p> <p>(3) (Deleted)</p> <p>(4) Performance appraisal</p> <p> 1. Hedging transactions The basis for performance appraisal is the profit or loss generated between the costs on the Company's books and the engagement in financial derivative transactions.</p> <p> 2. Non-hedging transactions The Company is not allowed to engage in non-hedging commodity derivative transactions.</p> <p>(5) Determination of total contract amount and cap on losses</p> <p> 1. Total contract amount</p> <p> (1) Hedging transactions The accounting department should master the overall position of the Company, and the net position of the monthly foreign exchange trading (including the net position expected to be generated in the future) shall be the upper limit.</p> <p> (2) Non-hedging transactions The Company is not allowed to engage in non-hedging commodity derivative transactions.</p> <p> 2. Cap on losses The Company is not allowed to</p>	<p>Article 11: Operating procedures for acquisition or disposal of commodity derivatives</p> <p>1. Trading principles and guidelines</p> <p>(1) (Deleted)</p> <p>(2) (Deleted)</p> <p>(3) (Deleted)</p> <p>(4) Performance appraisal</p> <p> <u>1. Hedging transactions</u> The basis for performance appraisal is the profit or loss generated between the costs on the Company's books and the engagement in financial derivative transactions.</p> <p> <u>2. Non-hedging transactions</u> <u>The Company is not allowed to engage in non-hedging commodity derivative transactions.</u></p> <p>(5) Determination of total contract amount and cap on losses</p> <p> 1. Total contract amount</p> <p> <u>(1) Hedging transactions</u> The accounting department should master the overall position of the Company, and the net position of the monthly foreign exchange trading (including the net position expected to be generated in the future) shall be the upper limit.</p> <p> <u>(2) Non-hedging transactions</u> <u>The Company is not allowed to engage in non-hedging commodity derivative transactions.</u></p> <p> 2. Cap on losses The Company is <u>not allowed to</u></p>	<p>Amendments shall be made in accordance with the management and actual operational requirements.</p>

Amended Clause	Currently Implemented Clause	Explanation
<p>engage in non-hedging-commodity derivative-transactions and for the purpose of avoiding risk, any loss generated from any hedging transaction must not exceed the cap of 20% of the contract amount, thus there is no need to set any further cap on losses.</p> <p>2. Risk management measures</p> <p>(1) Credit risk management In order to avoid credit risk, commodity derivative transactions shall be primarily carried out with well-known financial institutions at home and abroad, commodity derivatives shall be limited to those provided by well-known financial institutions at home and abroad, and the outstanding transaction amount payable by the same transaction target shall not exceed 25% of the authorized limit, except for those otherwise approved by the Chairman.</p> <p>(2) Market price risk management In order to avoid market price risk, the positions held in the financial derivative exchange should be evaluated at least once a week. However, if the hedging-transactions required for the business need to be evaluated at least twice a month, the evaluation report shall be submitted to the senior management personnel authorized by the Board of Directors.</p> <p>(3) (Deleted)</p> <p>(4) (Deleted)</p> <p>(5) Operational risk management</p> <ol style="list-style-type: none"> 1. (Deleted) 2. (Deleted) 3. (Deleted) 4. The risk measurement, supervision and management personnel should not be serving in the same department nor in concurrent positions as the personnel mentioned in the preceding paragraph, and they 	<p><u>engage in non-hedging-commodity derivative-transactions and for the purpose of avoiding risk, any loss generated from any hedging transaction must not exceed the cap of 20% of the contract amount, thus there is no need to set any further cap on losses.</u></p> <p>2. Risk management measures</p> <p>(1) Credit risk management In order to avoid credit risk, commodity derivative transactions shall be primarily carried out with well-known financial institutions at home and abroad, commodity derivatives shall be limited to those provided by well-known financial institutions at home and abroad, and the outstanding transaction amount payable by the same transaction target shall not exceed 25% of the authorized limit, except for those otherwise approved by the Chairman.</p> <p>(2) Market price risk management In order to avoid market price risk, the positions held in the financial derivative exchange <u>should be evaluated at least once a week. However, if the hedging-transactions required for the business</u> need to be evaluated at least twice a month, the evaluation report shall be submitted to the senior management personnel authorized by the Board of Directors.</p> <p>(3) (Deleted)</p> <p>(4) (Deleted)</p> <p>(5) Operational risk management</p> <ol style="list-style-type: none"> 1. (Deleted) 2. (Deleted) 3. (Deleted) 4. The risk measurement, supervision and management personnel <u>should not be serving in the same department</u> nor in concurrent positions as the <u>personnel mentioned in the preceding paragraph</u>, and they 	

Amended Clause	Currently Implemented Clause	Explanation
<p>should report to the Board of Directors or senior management personnel who do not undertake trading or position decision-making responsibilities.</p> <p>(6) (Deleted)</p> <p>3. (Deleted)</p> <p>4. Regular evaluation method and exception handling</p> <p>(1) The Board of Directors shall conscientiously supervise and manage the commodity derivative transactions in accordance with the following principles:</p> <p>1. Appointment of senior management personnel for dedicated supervision and management of the risks related to commodity derivative transactions at all times.</p>	<p>should report to the Board of Directors or senior management personnel who do not undertake trading or position decision-making responsibilities.</p> <p>(6) (Deleted)</p> <p>3. (Deleted)</p> <p>4. Regular evaluation method and exception handling</p> <p>(1) The Board of Directors shall conscientiously supervise and manage the commodity derivative transactions in accordance with the following principles:</p> <p>1. Appointment of senior management personnel for dedicated supervision and management of the risks related to commodity derivative transactions <u>at all times.</u></p>	
<p>Article 18</p> <p>This Operating Procedures was formulated on May 05, 2008.</p> <p>The first amendment was made on June 19, 2009.</p> <p>The second amendment was made on June 04, 2010.</p> <p>The third amendment was made on June 19, 2013.</p> <p>The fourth amendment was made on May 30, 2014.</p> <p>The fifth amendment was made on October 17, 2014.</p> <p>The sixth amendment was made on June 28, 2016.</p> <p>The seventh amendment was made on June 22, 2017.</p> <p><u>The eighth amendment was made on May 30, 2018.</u></p>	<p>Article 18</p> <p>This Operating Procedures was formulated on May 05, 2008.</p> <p>The first amendment was made on June 19, 2009.</p> <p>The second amendment was made on June 04, 2010.</p> <p>The third amendment was made on June 19, 2013.</p> <p>The fourth amendment was made on May 30, 2014.</p> <p>The fifth amendment was made on October 17, 2014.</p> <p>The sixth amendment was made on June 28, 2016.</p> <p>The seventh amendment was made on June 22, 2017.</p>	<p>Dates of supplementation or amendment</p>