



Stock Code:6462

Egis Technology Inc.

2021 Annual General Meeting

Meeting Handbook

Time: June 17, 2021 (Thursday) at 9 a.m.

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

Table of Contents

	Page
I. Meeting Procedures	1
II. Meeting Agenda	2
III. Reporting Items	3
IV. Matters for Ratification	4
V. Matters for Discussion.....	5
VI. Extemporaneous Motions.....	6
Exhibits	
1. 2020 Annual Business Report	7
2. Audit Committee’s 2020 Annual Audit Report.....	15
3. Auditors’ Report and 2020 Annual Consolidated Financial Statements and Individual Financial Statements.....	16
4. 2020 Annual Earnings Distribution Table.....	34
5. Comparison Table of Clauses before and after the Amendments of “Articles of Incorporation”	35
6. Comparison Table of Clauses before and after the Amendments of “Operating Procedures of Acquisition or Disposal of Assets”	38
7. Comparison Table of Clauses before and after the Amendments of “Procedures for Appointment of Directors and Independent Directors”.....	40
Appendices	
1. Articles of Incorporation	43
2. Rules of Procedures for Shareholders Meeting	52
3. Effect of this Stock Grant on the Business Performance, Earnings Per Share and Return on Investment of Shareholders of the Company	63
4. Current Shareholding of All Directors	64

I. Meeting Procedures

1. Announce Start of Meeting
2. Speech by Chairman
3. Reporting Items
4. Matters for Ratification
5. Matters for Discussion
6. Extemporaneous Motions
7. Close Meeting

II. Meeting Agenda

Time: June 17, 2021 (Thursday) 9 a.m.

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

1. Announce Start of Meeting

2. Speech by Chairman

3. Reporting Items

1. 2020 Annual Business Report.
2. 2020 Report on Review of Annual Financial Statements by the Audit Committee.
3. 2020 Annual Remunerations Distribution of Employees and Directors.

4. Matters for Ratification

1. Approve the 2020 Annual Financial Statements.
2. Approve the 2020 Profit Distribution Plan.

5. Matters for Discussion

1. Amendment to some clauses in “Articles of Incorporation” of the Company.
2. Amendment to some clauses in “Operating Procedures for Acquisition or Disposal of Assets” of the Company.
3. Amendment to some clauses in “Procedures for Appointment of Directors and Independent Directors” of the Company.

6. Extemporary Motions

7. Close Meeting

III. Reporting Items

Proposal 1

Subject matter: 2020 Annual Business Report.

Explanation: Please refer to Exhibit 1 of this Handbook for the 2020 Annual Business Report.

Proposal 2

Subject matter: 2020 report on review of Annual Financial Statements by the Audit Committee.

Explanation: Please refer to Exhibit 2 of this Handbook for the Audit Committee's 2020 Annual Audit Report

Proposal 3

Subject matter: 2020 Annual Remunerations Distribution of Employees and Directors.

Explanation: The annual profit of this Company in 2020 is NTD 802,802,319. The profits shall be distributed in accordance with the provisions of Article 24 in the Articles of Incorporation and the Company Law, and 5%, that is, NTD 40,140,115, shall be set aside as employee remunerations; 1%, that is, NTD 8,028,023, shall be set aside as director remunerations; and the profits shall be distributed in the form of cash.

IV. Matters for Ratification

Proposal 1

Proposed by the Board of Directors

Subject matter: Approve the 2020 Annual Financial Statements.

- Explanation:
- (1) The 2020 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 Sonia Chang, and an unqualified opinion report has been issued for filing. The said Financial Statements and unqualified opinion report have been submitted together with the 2020 Annual Business Report to the Audit Committee for last review.
 - (2) The Auditors' Report, Individual and Consolidated Financial Statements (please refer to Exhibit 3 of this Handbook), and Business Report (please refer to Exhibit 1 of this Handbook) are enclosed herewith.
 - (3) The above is submitted for ratification.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject matter: Approved the 2020 Profit Distribution Plan.

- Explanation:
- (1) The annual profit of this Company in 2020, in accordance with the provisions in the Articles of Incorporation of this Company and the Company Law, is proposed to be distributed to shareholders in cash: specifically, cash dividends of NTD 15,000 per 1,000 shares (that is NTD 15 per share), totaling NTD1,039,136,310.
 - (2) Before the ex-dividend date, if the proportion of profit paid to shareholders is accordingly changed because of alterations in law, review of the competent authority and total amount of common shares of this Company (for example, the Company repurchased its shares to transfer to employees or cancel them, increased its domestic capital in cash, or exercised the subscription right of employees, etc.), it is proposed to authorize the board of directors to adjust each condition in this Profit Distribution Plan in accordance with actual outstanding shares on the ex-dividend date.
 - (3) Authorize the Chairman of the Board of Directors to fix the ex-dividend base date and other related matters.
 - (4) Please refer to Exhibit 4 of this Handbook for the Earnings Distribution Table, and it is submitted for ratification.

Resolution:

V. Matters for Discussion

Proposal 1

Proposed by the Board of Directors

Subject matter: Amendment to some clauses in “Articles of Incorporation” of the Company.

Explanation: (1) Because of the headquarters’ relocation to Hsinchu City and to meet the practical needs of the Company, the Company intends to amend Article 3 and Article 24-1 of the “Articles of Incorporation”. Please refer to Exhibit 5 of this Handbook for the comparison table of clauses before and after the amendments.

(2) The above is submitted for resolution.

Resolution:

Proposal 2

Proposed by the Board of Directors

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

Explanation: (1) The Company’s 100% subsidiary, Egis Inc., has been dissolved because it no longer has any actual operation function. Therefore, the Company intends to amend some clauses in the “Operating Procedures for Acquisition or Disposal of Assets”. Please refer to Exhibit 6 of this Handbook for the comparison table of clauses before and after the amendments.

(2) The above is submitted for resolution.

Resolution:

Proposal 3

Proposed by the Board of Directors

Subject matter: Amendment to some clauses in “Procedures for Appointment of Directors and Independent Directors” of the Company.

Explanation: (1) The Company intends to amend some clauses in “Procedures for Appointment of Directors and Independent Directors” based on a letter from the Taipei Exchange dated June 12, 2020 (#10900582661). Please refer to Exhibit 7 of this Handbook for the comparison table of clauses before and after the amendments.

(2) The above is submitted for resolution.

Resolution:

VI. Extemporany Motions

VII. Close Meeting

[Exhibit 1]

Egis Technology Inc.
2020 Annual Business Report

The 2020 Business Achievements and Business Plan are provided as follows:

1. 2020 Annual Business Achievements

1. 2020 Business Plan Implementation Outcomes

The consolidated operating revenue of the Company for 2020 amounted to NTD 6,224,427,000, representing an increase of NTD 1,134,014,000 from 2019, and a growth rate of -15%; the net profit before tax is NTD 751,482,000 and net profit after tax is NTD 632,559,000, and the consolidated net profit for the current period is NTD 2,460,935,000.

Unit: Thousand NTD

Item	2019	2020
Operating revenue	7,358,411	6,224,427
Gross operating profit	3,137,307	2,690,953
Net operating profit (loss)	1,102,652	850,627
Non-operating revenue and expenditure	(50,451)	(99,145)
Net profit (loss) before tax	1,052,201	751,482
Net profit (loss) after tax	862,681	632,559
Total comprehensive income for the current period	830,085	2,460,935
Basic earnings per share (NTD)	12.60	9.14

2. Status of Budget Implementation

The financial forecast for 2020 was not disclosed by the Company.

3. Analysis of Financial Revenue and Expenditure and Profitability

Item		2019	2020
Financial structure	Liabilities to assets ratio (%)	49.14	29.52
	Permanent capital to property, plant and equipment ratio (%)	4,604.57	5,584.74
Solvency	Current ratio (%)	181.77	287.77
	Quick ratio (%)	146.86	227.58
Profitability	Return on assets (%)	17.85	10.66
	Return on equity (%)	33.16	16.83
	Net profit margin (%)	11.72	10.16
	Earnings per share (NTD)	12.60	9.14

4. Status of Research and Development

Item	Research and Development Plan	Description of Plan
Software	AI Algorithm	It can extract a large number of feature points on a small-area optical fingerprint image to optimize recognition efficiency and reliability performance.
Hardware	Capacitive fingerprint sensor chip	It is equipped with optimized sensing sensitivity, and can be hidden within the keys of a mobile phone.
	Optical Fingerprint Sensor Chip	It can be used under the protective glass and screen with a thickness up to 1,400um. It provides an under-screen fingerprint recognition solution in response to the latest trend in full-screen mobile phones (including 5G phones and foldable phones).
	AI Algorithm Chip	We developed powerful, low-cost artificial intelligence chips with exclusive identification software to verify user identity and return the results to the device-side application processor to maintain the confidentiality, integrity and security of the user's

Item	Research and Development Plan	Description of Plan
		biometric computing process, while reducing Egis engineers' time spent at the site of mobile phone clients for integrating and debugging various mobile payment programs.
	Time-of-flight Sensor Chip	It provides a 3D Depth Map on the surface of an object. It is suitable for the augmented reality application trend of mobile phones.

2. Overview of 2021 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 and other technological research and development to maintain the Company's technological leadership in the field of biometric recognition; and meanwhile we are committed to expanding the emerging applications of biometric recognition in various industries, including smart phones, mobile devices, financial payments, automotive electronics, etc. and make them the main business direction of the Company, with the goal of expanding the market landscape and spearheading entry into the market.

(2) Expected Sales Volume and its Basis

The Company will expand the shipment of fingerprint chip applications to major mobile phone brand customers in China in 2021. It is expected that the performance may see a double-digit growth from 2020, and we will continue to expand our global market share of 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 costs and the management of inventory are important for production and sales management for the year of 2021. 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:

The Company's fingerprint matching algorithm embedded with artificial intelligence technology has been used and consistently praised by hundreds of millions of mobile phone users for many years due to its wide market recognition.

In order to maintain the confidentiality (not to be hijacked), integrity (not to be tampered) and security (not to be stolen) of the user's biometric device, the biometric device has been used in a trusted execution environment (TEE) to perform key operations, including secure storage of fingerprint verification, PIN code input, confidential private keys for mobile payment, and isolates improper fingerprint collection, storage, verification processes in TEE; therefore if the phone is jailbroken or rooted, the attacker still cannot obtain the user's fingerprint information.

Due to this phenomenon, the TEE program software requires on-site labor force for testing support, and time for integration and debugging. Therefore, the Company will develop high-performance AI chips to strengthen existing hardware and software computing capabilities.

2. In the area of process improvement:

We work closely with the fab to find out the key to process parameter optimization through the use of big data analysis, machine learning, artificial intelligence and other technologies, to achieve goals such as reducing defects, improving process, error detection, reducing cost and shortening development cycle.

3. In the area of software development:

We use AI technology to strengthen anti-spoofing functions, and introduce a cyclic verification test environment to establish a more solid and safer foundation and achieve more diverse applications.

(2) Long-Term

1. Strengthen the core competitiveness of product design and better understand and more rapidly grasp market trends.
2. For investment in new products and new technologies, we will accelerate the timeline for product introduction through market acquisitions or the introduction of new teams.
3. Solutions for various innovative biometrics will be developed together with

strategic partners to grasp business opportunities while reducing R&D risks.

4. In response to the needs of the customers in the automotive industry, the Company will actively develop ultrasonic fingerprint sensors.

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

As optical fingerprint sensing technology is more affordable than ultrasonic sensing technology, there are more companies throughout the entire supply chain that have invested in optical fingerprint sensing technology. With the introduction of such technology by major Chinese mobile phone makers, such as Huawei, Xiaomi, OPPO and Vivo, the application for this technology has seen the fastest development, and there is a great opportunity for the applications to develop in the high-end, and mid-to-high end markets, or even in the mid-end markets at the same time. The main competitors for optical fingerprint technology include Goodix, which is invested in by MediaTek, and Silead, acquired by GigaDevice, among others.

In July 2019, Goodix filed a lawsuit against the Company for infringement of its patents for under-screen optical fingerprint recognition technology, and at the same time appealed to the court to order the Company to immediately cease the shipping of the infringing products, and to pay for such infringement a royalty fee of CNY 50.5 million (NTD 220 million). This move is aimed at slowing down the Company's penetration into other smartphone manufacturers in China, and influencing the decision-making process of these Chinese manufacturers in placing their orders, so that the Company would have to make extra efforts to persuade new customers to adopt our designs.

In February 2020, China National Intellectual Property Administration ruled that Goodix's patent rights to the under-screen biometric identification device, biometric identification components and terminal equipment (patent number: 201820937410.2) were all invalidated; as a result, Goodix lost its cause of action pertaining to its patent infringement claim against the Company. The invalidation of Goodix's patent infringement claim will help Egis expand its market in under-screen fingerprint recognition chips in China.

As Covid-19 continues its expansion, it has been proven that iPhone X and its subsequent models that are equipped with 3D face recognition technology (Face ID) can no longer properly detect the facial features of users wearing a surgical mask. At this time, most people think that this technology is not as practical as fingerprint recognition, so facial recognition seems more

like a drawback rather than a convenience. Before we can see the end of this pandemic, the inconvenience of this shortcoming will become more and more pronounced. As the infrared laser emitted by the infrared transmitter on the structure light depth sensing camera system (TrueDepth Camera) on Face ID cannot penetrate the mask fabric, and Face ID is the only biometric device on new iPhone series, users will have to remove their mask, or otherwise input the password or use the pattern lock to unlock the phone in order to make payment with Apple Pay and purchase apps.

In addition, the recent deployment and development of the global 5G mobile telecommunication network is expected to drive the growth of global 5G mobile phone demand and the increase in the shipment of under-screen fingerprint sensors for use with AMOLED phone displays. IHS Markit estimates that in 2021, global AMOLED mobile phone shipments will grow to 650 million units (annual growth rate of 8%), and the shipment of smartphones equipped with fingerprint sensors will reach 1.29 billion units (penetration rate of 90% or more),

In addition to smartphones, fingerprint recognition is a huge opportunity for multiple applications in mobile devices, mobile payments, automotive electronics and financial smart cards and so on. The Company has been dedicated to the fingerprint recognition technology for years. Aside from designing fingerprint recognition chips, it has self-developed algorithms and more than 100 patents in the fingerprint recognition domain. The Company ranks among vehicle electronics suppliers.

In response to the development trend of the full screen, the fingerprint recognition solutions under the screen can increase the proportion of screens, and all manufacturers are eager to invest in R&D. Based on the long-term accumulated fingerprint recognition capabilities, the Company recruited new R&D teams and technology partners to develop optical fingerprint recognition chips, and made significant progress. At the same time, the Company has cooperated with customers to import fingerprint recognition solutions under the screen to customers' products.

The Company has also launched the R&D of 3D Depth Map sensing technology based on time of flight (ToF), while at the same time developing a more cost-effective wafer solution than the existing technology in the market, which will be more favorable to channel customers to product applications and accelerate the time to market.

The product line of the biometric recognition chip of the Company will continue to follow process evolution and move towards high-resolution, high-recognition rate and multi-

specification. 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 further 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: LO, SEN CHOU

General Manager: RO, SHIH-HAO

Accountant-in-charge: Kathy Huang

[Exhibit 2]

Auditors' Report of Audit Committee

It is hereby approved that

The Board of Directors delivered the Company's parent-company-only financial statements and consolidated financial statements, business report and earnings distribution table for the year of 2020, among which the parent-company-only financial statements and consolidated financial statements for the year of 2020 had been audited by CPAs Steven Shih and Hui-chen Chang from KPMG Taiwan, and an audit report had been accordingly issued.

All the tables prepared by the above-mentioned Board of Directors are considered no discrepancy after being reviewed by the Audit Committee. In accordance with the provisions of Articles 14(4) of the Security Exchange Act and Article 219 of the Company Law, the Report is subject to inspection.

2021 Annual General Meeting of Egis Technology Inc.

Audit committee convener: WENG, MING-JENG

March 16, 2021

[Exhibit 3]

Independent Auditors' Report

To the Board of Directors of 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, 2020 and 2019, 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, 2020 and 2019, 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 parent-company-only 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2020 are stated as follows:

1. Impairment of goodwill

Please refer to Note 4(m) "Impairment of non-financial assets" for the significant accounting policies on goodwill impairment, Note 5 "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of goodwill impairment and Note 6(j) "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: obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; and assessing the adequacy of the Company's disclosures with respect to the related information.

2. Valuation of inventories

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

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.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wei-Ming Shih and Hwei-Chen Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2021

Notes to Readers

The accompanying financial statements are intended only to present the parent-company-only financial position, financial performance and 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 parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent-company-only 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 parent-company-only financial statements, the Chinese version shall prevail.

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

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:									
1100 Cash and cash equivalents (notes 6(a))	\$ 1,435,898	22	3,099,110	57	2100 Short-term borrowings (notes 6(k)(y) and 8)	\$ -	-	1,193,486	22
1110 Financial assets at fair value through profit or loss—current (notes 6(b))	-	-	62,541	1	2170 Notes and accounts payable	254,432	4	561,738	10
1170 Accounts receivable, net (notes 6(d)(s))	299,843	4	343,355	6	2220 Other payables to related parties (note 7)	6,074	-	5,015	-
130X Inventories (note 6(e))	383,526	6	762,907	14	2230 Current tax liabilities	36,765	1	165,836	3
1470 Prepaid expense and other current assets	140,181	2	160,648	3	2280 Current lease liabilities (notes 6(m)(y))	41,107	1	30,164	1
1476 Other financial assets—current (notes 6(f) and 8)	144,036	2	317,974	6	2365 Refund liabilities—current	99,066	1	60,588	1
Total current assets	2,403,484	36	4,746,535	87	2399 Accrued expenses and other current liabilities (note 6(t))	408,995	6	603,935	11
Non-current assets:						846,439	13	2,620,762	48
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	13,045	-	5,309	-	Total current liabilities				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	3,557,960	54	195,216	3	2540 Long-term debt (note 6(l))	990,000	15	-	-
1550 Investments accounted for using equity method (note 6(g))	137,328	2	113,559	2	2570 Deferred income tax liabilities (note 6(o))	-	-	75	-
1600 Property, plant and equipment (note 6(h))	101,051	2	57,567	1	2580 Non-current lease liabilities (notes 6(m)(y))	102,320	1	61,912	1
1755 Right-of-use assets (note 6(i))	136,188	2	90,173	2	Total non-current liabilities	1,092,320	16	61,987	1
1780 Intangible assets (note 6(j))	167,921	3	194,630	4	Total liabilities	1,938,759	29	2,682,749	49
1840 Deferred income tax assets (note 6(o))	94,218	1	74,540	1	Equity (notes 6(p)(q)):				
1995 Refundable deposits	10,888	-	8,265	-	3110 Common stock	713,758	11	712,653	13
Total non-current assets	4,218,599	64	739,259	13	3140 Common stock subscribed	-	-	1,225	-
					3200 Capital surplus	1,057,960	16	1,040,153	19
					Retained earnings:				
					3310 Legal reserve	224,069	4	137,801	3
					3320 Special reserve	81,463	1	48,867	1
					3350 Unappropriated earnings	1,057,629	16	1,197,715	22
					Other equity interest:				
					3411 Exchange differences on translation of foreign financial statements	2,112	-	2,361	-
					3420 Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	1,775,108	26	(83,824)	(2)
					3491 Deferred compensation cost arising from issuance of restricted stock	-	-	(5,145)	-
					3500 Treasury stock	(228,775)	(3)	(248,761)	(5)
					Total equity	4,683,324	71	2,803,045	51
Total assets	\$ 6,622,083	100	5,485,794	100	Total liabilities and equity	\$ 6,622,083	100	5,485,794	100

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

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		<u>2020</u>		<u>2019</u>	
		Amount	%	Amount	%
4000	Revenue (note 6(s))	\$ 6,219,414	100	7,358,441	100
5000	Costs of revenue (notes 6(e)(h) and 12)	<u>(3,533,473)</u>	<u>(57)</u>	<u>(4,221,134)</u>	<u>(57)</u>
	Gross profit	<u>2,685,941</u>	<u>43</u>	<u>3,137,307</u>	<u>43</u>
	Operating expenses (notes 6(d)(h)(i)(j)(m)(n)(q)(t), 7 and 12):				
6100	Selling expenses	(246,119)	(4)	(303,537)	(4)
6200	Administrative expenses	(259,167)	(4)	(253,463)	(4)
6300	Research and development expenses	<u>(1,307,522)</u>	<u>(21)</u>	<u>(1,424,781)</u>	<u>(19)</u>
	Total operating expenses	<u>(1,812,808)</u>	<u>(29)</u>	<u>(1,981,781)</u>	<u>(27)</u>
	Operating income	<u>873,133</u>	<u>14</u>	<u>1,155,526</u>	<u>16</u>
	Non-operating income and loss:				
7101	Interest income (note 6(u))	35,212	-	79,765	1
7110	Other income (note 6(u))	31,142	-	10,064	-
7020	Other gains and losses, net (note 6(u))	(137,359)	(2)	(72,915)	(1)
7050	Finance costs (notes 6(m)(u))	(22,318)	-	(18,816)	-
7375	Share of losses of subsidiaries, associates and joint ventures accounted for using equity method (note 6(g))	<u>(25,176)</u>	<u>-</u>	<u>(91,793)</u>	<u>(1)</u>
	Total non-operating income and loss	<u>(118,499)</u>	<u>(2)</u>	<u>(93,695)</u>	<u>(1)</u>
	Income before taxes	754,634	12	1,061,831	15
7950	Less: Income tax expenses (notes 6(o))	<u>(122,075)</u>	<u>(2)</u>	<u>(199,150)</u>	<u>(3)</u>
	Net income	<u>632,559</u>	<u>10</u>	<u>862,681</u>	<u>12</u>
	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (notes 6(p))	1,826,874	29	(31,022)	(1)
8330	Share of other comprehensive income of subsidiaries accounted for using equity method (note 6(p))	1,813	-	-	-
8349	Income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,828,687</u>	<u>29</u>	<u>(31,022)</u>	<u>(1)</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations (note 6(g)(p))	(311)	-	(1,574)	-
8399	Income tax related to items that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(311)</u>	<u>-</u>	<u>(1,574)</u>	<u>-</u>
	Other comprehensive income (loss), net	<u>1,828,376</u>	<u>29</u>	<u>(32,596)</u>	<u>(1)</u>
	Comprehensive income	<u>\$ 2,460,935</u>	<u>39</u>	<u>830,085</u>	<u>11</u>
	Earnings per share (in New Taiwan dollars) (note 6(r)) :				
9750	Basic earnings per share	<u>\$ 9.14</u>		<u>12.60</u>	
9850	Diluted earnings per share	<u>\$ 9.09</u>		<u>12.46</u>	

(English Translation of Financial Statements Originally Issued in Chinese)

EGIS TECHNOLOGY INC.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest				Total equity	
	Common stock	Common stock subscribed	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation cost arising from issuance of restricted stock		Treasury stock
Balance at January 1, 2019	\$ 709,743	930	963,159	70,722	-	1,005,824	3,935	(52,802)	(30,647)	(278,740)	2,392,124
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	67,079	-	(67,079)	-	-	-	-	-
Special reserve	-	-	-	-	48,867	(48,867)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(554,844)	-	-	-	-	(554,844)
Treasury stock transferred to employees	-	-	(90)	-	-	-	-	-	-	29,979	29,889
Issuance of common stock from exercise of employee stock options	2,940	295	33,995	-	-	-	-	-	-	-	37,230
Compensation cost of employee stock options	-	-	41,071	-	-	-	-	-	-	-	41,071
Compensation cost arising from restricted shares of stock issued to employees	-	-	1,988	-	-	-	-	-	-	-	1,988
Retirement of restricted shares of stock issued to employees	(30)	-	30	-	-	-	-	-	25,502	-	25,502
Net income in 2019	-	-	-	-	-	862,681	(1,574)	(31,022)	-	-	862,681
Other comprehensive income in 2019	-	-	-	-	-	-	(1,574)	(31,022)	-	-	(32,596)
Total comprehensive income in 2019	-	-	-	-	-	862,681	(1,574)	(31,022)	-	-	830,085
Balance at December 31, 2019	<u>712,653</u>	<u>1,225</u>	<u>1,040,153</u>	<u>137,801</u>	<u>48,867</u>	<u>1,197,715</u>	<u>2,361</u>	<u>(83,824)</u>	<u>(5,145)</u>	<u>(248,761)</u>	<u>2,803,045</u>
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	86,268	-	(86,268)	-	-	-	-	-
Special reserve	-	-	-	-	32,596	(32,596)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(623,536)	-	-	-	-	(623,536)
Treasury stock transferred to employees	-	-	(60)	-	-	-	-	-	-	19,986	19,926
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	62	-	-	-	62
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(30,245)	-	30,245	-	-	-
Issuance of common stock from exercise of employee stock options	1,225	(1,225)	-	-	-	-	-	-	-	-	-
Compensation cost of employee stock options	-	-	19,414	-	-	-	-	-	-	-	19,414
Compensation cost arising from restricted shares of stock issued to employees	-	-	(1,667)	-	-	-	-	-	5,145	-	3,478
Retirement of restricted shares of stock issued to employees	(120)	-	120	-	-	-	-	-	-	-	-
Net income in 2020	-	-	-	-	-	632,559	-	-	-	-	632,559
Other comprehensive income in 2020	-	-	-	-	-	-	(311)	1,828,687	-	-	1,828,376
Total comprehensive income in 2020	-	-	-	-	-	632,559	(311)	1,828,687	-	-	2,460,935
Balance at December 31, 2020	<u>\$ 713,758</u>	<u>-</u>	<u>1,057,960</u>	<u>224,069</u>	<u>81,463</u>	<u>1,057,629</u>	<u>2,112</u>	<u>1,775,108</u>	<u>-</u>	<u>(228,775)</u>	<u>4,683,324</u>

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

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income taxes	\$ 754,634	1,061,831
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	70,385	49,959
Amortization	34,717	39,256
Reversal of expected credit loss	(330)	-
Net loss on financial assets at fair value through profit or loss	8,558	415
Interest expense	22,318	18,816
Interest income	(35,212)	(79,765)
Dividend income	(24,399)	-
Share-based payments	22,892	68,561
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	25,176	91,793
Loss on disposal of property, plan and equipment	4,315	-
Gain on disposal of investments	(19,468)	-
Gain arising from lease modifications	(1,470)	-
Total adjustments to reconcile profit	107,482	189,035
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	43,842	270,972
Other receivables from related parties	-	109
Inventories	379,381	(206,988)
Prepayments and other current assets	20,467	(83,518)
Total changes in operating assets	443,690	(19,425)
Changes in operating liabilities:		
Notes and accounts payable	(307,306)	165,264
Other payables to related parties	1,059	(983)
Refund liabilities-current	38,478	(28,867)
Accrued expenses and other current liabilities	(192,935)	252,020
Total changes in operating liabilities	(460,704)	387,434
Total changes in operating assets and liabilities	(17,014)	368,009
Cash provided by operations	845,102	1,618,875
Interest received	44,603	77,630
Dividends received	24,399	-
Interest paid	(22,801)	(18,737)
Income taxes paid	(272,421)	(176,939)
Net cash provided by operating activities	618,882	1,500,829

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

Statements of Cash Flows (Continued)
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,681,364)	(62,140)
Proceeds from capital return of financial assets at fair value through other comprehensive income	145,494	-
Acquisition of financial assets at fair value through profit or loss	(99,289)	(98,508)
Proceeds from disposal of financial assets at fair value through profit or loss	145,536	30,243
Acquisition of investments accounted for using equity method	(51,850)	(83,795)
Proceeds from disposal of investments accounted for using equity method	19,530	-
Proceeds from capital return of investments accounted for using equity method	4,407	9,107
Acquisition of property, plant and equipment	(82,678)	(39,594)
Proceeds from disposal of property, plant and equipment	168	-
Acquisition of intangible assets	(8,008)	(19,980)
Decrease (increase) in other financial assets	164,547	(296,407)
Increase in refundable deposits	(2,623)	(367)
Net cash used in investing activities	(1,446,130)	(561,441)
Cash flows from financing activities:		
Proceeds from short-term borrowings	7,516,526	6,967,837
Repayments of short-term borrowings	(8,710,012)	(6,735,666)
Proceeds from long-term debt	990,000	-
Payment of lease liabilities	(28,868)	(28,498)
Cash dividends distributed to shareholders	(623,536)	(554,844)
Proceeds from exercise of employee stock options	-	37,230
Treasury stock transferred to employees	19,926	29,889
Net cash used in financing activities	(835,964)	(284,052)
Net (decrease) increase in cash and cash equivalents	(1,663,212)	655,336
Cash and cash equivalents at beginning of the period	3,099,110	2,443,774
Cash and cash equivalents at end of the period	\$ 1,435,898	3,099,110

Independent Auditors' Report

To the Board of Directors of Egis Technology Inc.:

Opinion

We have audited the consolidated financial statements of Egis Technology Inc. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020 are stated as follows:

1. Impairment of goodwill

Please refer to Note 4(m) "Impairment of non-financial assets" for the significant accounting policies on goodwill impairment, Note 5 "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of goodwill impairment and Note 6(k) "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: obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; and assessing the adequacy of the Group's disclosures with respect to the related information.

2. Valuation of inventories

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

Other Matter

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 auditors' 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 Huei-Chen Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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 Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a) and 8)	\$ 1,533,311	23	3,162,230	57	2100	Short-term borrowings (notes 6(l)(z))	\$ -	-	1,193,486	22
1110	Financial assets at fair value through profit or loss—current (notes 6(b) and 13)	-	-	62,541	1	2170	Notes and accounts payable	254,432	4	561,738	10
1170	Accounts receivable, net (notes 6(d)(t))	303,743	5	343,355	6	2230	Current tax liabilities	37,274	-	166,761	3
130X	Inventories (note 6(e))	383,526	6	762,907	14	2280	Current lease liabilities (notes 6(n)(z))	44,707	1	37,053	1
1410	Prepaid expenses and other current assets	140,585	2	160,921	3	2365	Refund liabilities—current	99,066	1	60,588	1
1476	Other financial assets—current (notes 6(f) and 8)	144,509	2	317,974	6	2399	Accrued expenses and other current liabilities (note 6(u))	435,241	7	626,486	11
	Total current assets	<u>2,505,674</u>	<u>38</u>	<u>4,809,928</u>	<u>87</u>		Total current liabilities	<u>870,720</u>	<u>13</u>	<u>2,646,112</u>	<u>48</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and 13)	13,045	-	5,309	-	2540	Long-term debt (notes 6(m)(z))	990,000	15	-	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and 13)	3,561,233	53	195,216	4	2570	Deferred income tax liabilities (note 6(p))	-	-	75	-
1550	Investments accounted for using equity method (notes 6(g) and 13)	46,034	1	41,058	1	2580	Non-current lease liabilities (notes 6(n)(z))	110,880	2	70,204	1
1600	Property, plant and equipment (note 6(i))	104,000	2	62,589	1		Total non-current liabilities	<u>1,100,880</u>	<u>17</u>	<u>70,279</u>	<u>1</u>
1755	Right-of-use assets (note 6(j))	148,087	2	104,939	2		Total liabilities	<u>1,971,600</u>	<u>30</u>	<u>2,716,391</u>	<u>49</u>
1780	Intangible assets (notes 6(h)(k))	193,154	3	223,492	4	Equity (notes 6(q)(r)):					
1840	Deferred income tax assets (note 6(p))	94,218	1	74,540	1	3110	Common stock	713,758	11	712,653	13
1920	Refundable deposits	12,951	-	10,551	-	3140	Common stock subscribed	-	-	1,225	-
1980	Other financial assets—non-current (note 8)	449	-	445	-	3200	Capital surplus	1,057,960	16	1,040,153	19
	Total non-current assets	<u>4,173,171</u>	<u>62</u>	<u>718,139</u>	<u>13</u>	Retained earnings:					
						3310	Legal reserve	224,069	3	137,801	2
						3320	Special reserve	81,463	1	48,867	1
						3350	Unappropriated earnings	1,057,629	16	1,197,715	22
						Other equity interest:					
						3411	Exchange differences on translation of foreign financial statements	2,112	-	2,361	-
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	1,775,108	26	(83,824)	(2)
						3491	Deferred compensation cost arising from issuance of restricted stock	-	-	(5,145)	-
						3500	Treasury stock	(228,775)	(3)	(248,761)	(4)
							Equity attributable to shareholders of the Company	<u>4,683,324</u>	<u>70</u>	<u>2,803,045</u>	<u>51</u>
						36XX	Non-controlling interests	23,921	-	8,631	-
							Total equity	<u>4,707,245</u>	<u>70</u>	<u>2,811,676</u>	<u>51</u>
							Total liabilities and equity	<u>\$ 6,678,845</u>	<u>100</u>	<u>5,528,067</u>	<u>100</u>
	Total assets	<u>\$ 6,678,845</u>	<u>100</u>	<u>5,528,067</u>	<u>100</u>						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019		
	Amount	%	Amount	%	
4000	Revenue (note 6(t))	6,224,427	100	7,358,441	100
5000	Costs of revenue (notes 6(e)(i) and 12)	(3,533,474)	(57)	(4,221,134)	(57)
	Gross profit	<u>2,690,953</u>	<u>43</u>	<u>3,137,307</u>	<u>43</u>
	Operating expenses (notes 6(d)(i)(j)(k)(n)(o)(r)(u), 7 and 12):				
6100	Selling expenses	(264,407)	(4)	(315,972)	(4)
6200	Administrative expenses	(267,163)	(4)	(277,169)	(4)
6300	Research and development expenses	(1,308,756)	(21)	(1,441,514)	(20)
	Total operating expenses	<u>(1,840,326)</u>	<u>(29)</u>	<u>(2,034,655)</u>	<u>(28)</u>
	Operating income	<u>850,627</u>	<u>14</u>	<u>1,102,652</u>	<u>15</u>
	Non-operating income and loss:				
7100	Interest income (notes 6(v) and 7)	35,245	-	80,063	1
7010	Other income (note 6(v))	31,341	-	10,316	-
7020	Other gains and losses, net (note 6(v))	(143,645)	(2)	(74,789)	(1)
7050	Finance costs (notes 6(n)(v))	(22,543)	-	(19,332)	-
7060	Share of profits or losses of associates and joint ventures accounted for using equity method (notes 6(g) and 13)	457	-	(46,709)	(1)
	Total non-operating income and loss	<u>(99,145)</u>	<u>(2)</u>	<u>(50,451)</u>	<u>(1)</u>
	Net income before tax	<u>751,482</u>	<u>12</u>	<u>1,052,201</u>	<u>14</u>
7950	Less: Income tax expenses (note 6(p))	(123,491)	(2)	(199,498)	(2)
	Net income	<u>627,991</u>	<u>10</u>	<u>852,703</u>	<u>12</u>
	Other comprehensive income:				
	Items that will not be reclassified subsequently to profit or loss:				
8310	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(q)(w))	1,828,687	29	(31,022)	(1)
8349	Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
		<u>1,828,687</u>	<u>29</u>	<u>(31,022)</u>	<u>(1)</u>
	Items that may be reclassified subsequently to profit or loss:				
8360	Exchange differences on translation of foreign operations (note 6(q))	140	-	(1,618)	-
8370	Accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(g)(q))	(451)	-	44	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
		<u>(311)</u>	<u>-</u>	<u>(1,574)</u>	<u>-</u>
	Other comprehensive income (loss), net	<u>1,828,376</u>	<u>29</u>	<u>(32,596)</u>	<u>(1)</u>
	Comprehensive income	<u>\$ 2,456,367</u>	<u>39</u>	<u>\$ 820,107</u>	<u>11</u>
	Net income attributable to:				
8610	Shareholders of the Company	\$ 632,559	10	862,681	12
8620	Non-controlling interests	(4,568)	-	(9,978)	-
		<u>\$ 627,991</u>	<u>10</u>	<u>\$ 852,703</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	\$ 2,460,935	39	830,085	11
8720	Non-controlling interests	(4,568)	-	(9,978)	-
		<u>\$ 2,456,367</u>	<u>39</u>	<u>\$ 820,107</u>	<u>11</u>
	Earnings per share (in New Taiwan Dollars) (note 6(s)) :				
9750	Basic earnings per share	\$	9.14	\$	12.60
9850	Diluted earnings per share	\$	9.09	\$	12.46

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company												
	Retained earnings						Other equity interest						
	Common stock	Common stock subscribed	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation cost arising from issuance of restricted stock	Treasury stock	Total	Non-controlling interests	Total equity
Balance at January 1, 2019	\$ 709,743	930	963,159	70,722	-	1,005,824	3,935	(52,802)	(30,647)	(278,740)	2,392,124	-	2,392,124
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	67,079	-	(67,079)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	48,867	(48,867)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(554,844)	-	-	-	-	(554,844)	-	(554,844)
Treasury stock transferred to employees	-	-	(90)	-	-	-	-	-	-	29,979	29,889	-	29,889
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	18,609	18,609
Issuance of common stock from exercise of employee stock options	2,940	295	33,995	-	-	-	-	-	-	-	37,230	-	37,230
Compensation cost of employee stock options	-	-	41,071	-	-	-	-	-	-	-	41,071	-	41,071
Compensation cost arising from restricted shares of stock issued to employees	-	-	1,988	-	-	-	-	-	25,502	-	27,490	-	27,490
Retirement of restricted shares of stock issued to employees	(30)	-	30	-	-	-	-	-	-	-	-	-	-
Net income in 2019	-	-	-	-	-	862,681	-	-	-	-	862,681	(9,978)	852,703
Other comprehensive income in 2019	-	-	-	-	-	-	(1,574)	(31,022)	-	-	(32,596)	-	(32,596)
Total comprehensive income in 2019	-	-	-	-	-	862,681	(1,574)	(31,022)	-	-	830,085	(9,978)	820,107
Balance at December 31, 2019	712,653	1,225	1,040,153	137,801	48,867	1,197,715	2,361	(83,824)	(5,145)	(248,761)	2,803,045	8,631	2,811,676
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	86,268	-	(86,268)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	32,596	(32,596)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(623,536)	-	-	-	-	(623,536)	-	(623,536)
Treasury stock transferred to employees	-	-	(60)	-	-	-	-	-	-	19,986	19,926	-	19,926
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	19,858	19,858
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	62	-	-	-	62	-	62
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(30,245)	-	30,245	-	-	-	-	-
Issuance of common stock from exercise of employee stock options	1,225	(1,225)	-	-	-	-	-	-	-	-	-	-	-
Compensation cost of employee stock options	-	-	19,414	-	-	-	-	-	-	-	19,414	-	19,414
Compensation cost arising from restricted shares of stock issued to employees	-	-	(1,667)	-	-	-	-	-	5,145	-	3,478	-	3,478
Retirement of restricted shares of stock issued to employees	(120)	-	120	-	-	-	-	-	-	-	-	-	-
Net income in 2020	-	-	-	-	-	632,559	-	-	-	-	632,559	(4,568)	627,991
Other comprehensive income in 2020	-	-	-	-	-	-	(311)	1,828,687	-	-	1,828,376	-	1,828,376
Total comprehensive income in 2020	-	-	-	-	-	632,559	(311)	1,828,687	-	-	2,460,935	(4,568)	2,456,367
Balance at December 31, 2020	\$ 713,758	-	1,057,960	224,069	81,463	1,057,629	2,112	1,775,108	-	(228,775)	4,683,324	23,921	4,707,245

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income taxes	\$ 751,482	1,052,201
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	78,073	60,490
Amortization	38,303	42,826
Reversal of expected credit loss	(330)	-
Net loss on financial assets at fair value through profit or loss	8,558	415
Interest expense	22,543	19,332
Interest income	(35,245)	(80,063)
Dividend income	(24,424)	-
Share-based payments	22,892	68,561
Share of loss of associates and joint ventures accounted for using the equity method	(457)	46,709
Loss on disposal of assets	6,233	724
Property, plant and equipment reclassified to expenses	44	-
Gain on disposal of investments	(19,468)	-
Gain arising from lease modifications	(1,744)	(139)
Total adjustments to reconcile profit	94,978	158,855
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	40,012	270,972
Inventories	379,381	(206,988)
Prepayments and other current assets	24,571	(81,476)
Total changes in operating assets	443,964	(17,492)
Changes in operating liabilities:		
Notes and accounts payable	(307,306)	165,264
Refund liabilities	38,478	(28,867)
Accrued expenses and other current liabilities	(189,722)	261,958
Total changes in operating liabilities	(458,550)	398,355
Total changes in operating assets and liabilities	(14,586)	380,863
Cash provided by operations	831,874	1,591,919
Interest received	44,637	77,962
Dividends received	24,424	-
Interest paid	(23,026)	(19,253)
Income taxes paid	(274,127)	(177,101)
Net cash provided by operating activities	603,782	1,473,527

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,681,364)	(62,140)
Proceeds from capital return of financial assets at fair value through other comprehensive income	145,644	-
Acquisition of financial assets at fair value through profit or loss	(99,289)	(98,508)
Proceeds from disposal of financial assets at fair value through profit or loss	145,536	30,243
Acquisition of investments accounted for using the equity method	(4,970)	(43,232)
Proceeds from disposal of investments accounted for using the equity method	19,530	-
Net cash flows from acquisition of subsidiaries	11,754	34,034
Acquisition of property, plant and equipment	(83,064)	(45,157)
Proceeds from disposal of property, plant and equipment	233	3
Acquisition of intangible assets	(8,008)	(20,070)
Decrease (Increase) in other financial assets	164,569	(287,165)
Increase in refundable deposits	(1,832)	(399)
Net cash used in investing activities	(1,391,261)	(492,391)
Cash flows from financing activities:		
Proceeds from short-term borrowings	7,516,526	6,967,837
Repayments of short-term borrowings	(8,710,012)	(6,735,666)
Proceeds from long-term debt	990,000	-
Payment of lease liabilities	(34,494)	(35,669)
Cash dividends distributed to shareholders	(623,536)	(554,844)
Proceeds from exercise of employee stock options	-	37,230
Treasury stock transferred to employees	19,926	29,889
Net cash used in financing activities	(841,590)	(291,223)
Effects of foreign exchange rate changes	150	(1,546)
Net (decrease) increase in cash and cash equivalents	(1,628,919)	688,367
Cash and cash equivalents at beginning of the period	3,162,230	2,473,863
Cash and cash equivalents at end of the period	\$ 1,533,311	3,162,230

[Exhibit 4]

Egis Technology Inc.
2020 Earnings Distribution Statement

Unit: NTD

Item	Amount in Cash
Undistributed earnings at the beginning of period	455,314,937
Actuarial loss included in retained earnings (explanation)	0
Disposal of financial assets at fair value through other comprehensive income losses	-30,245,000
Net profit after tax for current period	632,559,319
Less: Appropriation to legal reserve	60,231,432
Appropriation to special reserve	-81,463,441
Earnings available for distribution in current period	1,078,861,265
- Stock dividends (NTD - per share)	0
- Cash dividends (NTD 15.0 per share)	1,039,136,310
Undistributed earnings at the end of period	39,724,955

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:

Manager:

Accounting officer:

[Exhibit 5]

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

Amended Clause	Existing Clause	Explanation
<p>Article 3</p> <p>The Company is incorporated in <u>Hsinchu</u>. The Board of Directors may, by resolution, approve the establishment of branches, offices or liaison offices at home and abroad; and the cancellation or modification of such establishment shall also be conducted based on the resolutions of the Board of Directors.</p>	<p>Article 3</p> <p>The Company is incorporated in <u>Taipei</u>. The Board of Directors may, by resolution, approve the establishment of branches, offices or liaison offices at home and abroad; and the cancellation or modification of such establishment shall also be conducted based on the resolutions of the Board of Directors.</p>	<p>Relocation of the headquarters</p>
<p>Article 24-1</p> <p>After the closing of accounts for the year, if there is <u>earnings</u>, the Company shall first pay the taxes, make up for accumulated losses, and then set aside 10% of the said profits as legal reserve; where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. The company shall also set aside or reverse another sum as special reserve in accordance with the law or regulations of competent authorities. The Board of Directors shall draft an earnings distribution proposal for the remaining earnings amount, as well as the undistributed earnings at the beginning of the period. <u>If the distribution proposal will be issuing new shares, the distribution shall be made after a resolution of a shareholders meeting. If the distribution proposal will be issuing cash, in accordance with item 5 of Article 240 of the Company Law, the Board of</u></p>	<p>Article 24-1</p> <p>After the closing of accounts for the year, if there is <u>net profit after tax for the current period</u>, the Company shall first pay the taxes, make up for accumulated losses (including adjustment of undistributed earnings amount), and then set aside 10% of the said profits as legal reserve; where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. The company shall also set aside or reverse another sum as special reserve in accordance with the law or regulations of competent authorities. The Board of Directors shall draft an earnings distribution proposal for the remaining earnings amount, as well as the undistributed earnings at the beginning of the period (including the adjustment of undistributed earnings amount), <u>and submit it for resolution at the shareholders meeting for the distribution of dividends and bonuses to the shareholders.</u></p> <p>The Company's dividends policy is in line with the current and future</p>	<p>Meeting legal requirements and the practical needs of the Company</p>

Amended Clause	Existing Clause	Explanation
<p><u>Directors shall be authorized to issue the cash upon the resolution of a meeting with a quorum of two-thirds of all directors and a simple majority vote of attending directors as well as a report to the shareholders meeting.</u></p> <p>The Company's dividends policy is in line with the current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders and other such factors taken into account; and with reference to the general standard of dividends issuance in the same industry and capital market as the basis for dividends issuance. Dividends and bonuses may be distributed in the form of cash or shares, of which cash dividends shall be no less than 20% of the total shares.</p>	<p>development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders and other such factors taken into account; and with reference to the general standard of dividends issuance in the same industry and capital market as the basis for dividends issuance. Dividends and bonuses may be distributed in the form of cash or shares, of which cash dividends shall be no less than 20% of the total shares.</p>	
<p>Article 27</p> <p>These Articles of Incorporation were concluded on December 11, 2007.</p> <p>The first amendment was on December 26, 2007.</p> <p>The second amendment was on February 25, 2008.</p> <p>The third amendment was on May 5, 2008.</p> <p>The fourth amendment was on May 28, 2008.</p> <p>The fifth amendment was on June 4, 2010.</p> <p>The sixth amendment was on September 24, 2010.</p> <p>The seventh amendment was on</p>	<p>Article 27</p> <p>These Articles of Incorporation were concluded on December 11, 2007.</p> <p>The first amendment was on December 26, 2007.</p> <p>The second amendment was on February 25, 2008.</p> <p>The third amendment was on May 5, 2008.</p> <p>The fourth amendment was on May 28, 2008.</p> <p>The fifth amendment was on June 4, 2010.</p> <p>The sixth amendment was on September 24, 2010.</p> <p>The seventh amendment was on</p>	<p>Add amendment date</p>

Amended Clause	Existing Clause	Explanation
<p>June 15, 2011.</p> <p>The eighth amendment was on June 15, 2012.</p> <p>The ninth amendment was on December 10, 2013.</p> <p>The tenth amendment was on October 17, 2014.</p> <p>The eleventh amendment was on June 28, 2016.</p> <p>The twelve amendment was on May 30, 2018.</p> <p><u>The thirteen amendment was on June 17, 2021.</u></p>	<p>June 15, 2011.</p> <p>The eighth amendment was on June 15, 2012.</p> <p>The ninth amendment was on December 10, 2013.</p> <p>The tenth amendment was on October 17, 2014.</p> <p>The eleventh amendment was on June 28, 2016.</p> <p>The twelve amendment was on May 30, 2018.</p>	

[Exhibit 6]

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

Amended Clause	Existing Clause	Explanation
<p>Article 5: Amount of investment in non-business real estate and securities</p> <p>The amount of acquisition of the above assets by the company and its subsidiaries respectively is as follows:</p> <p>I. The total amount of real estate not for business use shall not be higher than 25% of the paid in capital or the net value, whichever is higher.</p> <p>II. The total amount of investment in long-term and short-term securities shall not be higher than 250% of the paid in capital or net worth, whichever is higher (except for trading of one year or less maturity period fixed income marketable securities).</p> <p>III. The amount of investment in individual marketable securities shall not exceed 250% of the paid in capital or net worth, whichever is higher.</p> <p>IV. If the investment is based on the consideration of industrial combination and strategic alliance, the above provisions are not applicable.</p> <p>V. The so-called paid in capital or net value refers to the paid in capital or net value in the latest financial statements of the company and its subsidiaries respectively.</p> <p>VI. The company shall not give up</p>	<p>Article 5: Amount of investment in non-business real estate and securities</p> <p>The amount of acquisition of the above assets by the company and its subsidiaries respectively is as follows:</p> <p>I. The total amount of real estate not for business use shall not be higher than 25% of the paid in capital or the net value, whichever is higher.</p> <p>II. The total amount of investment in long-term and short-term securities shall not be higher than 250% of the paid in capital or net worth, whichever is higher (except for trading of one year or less maturity period fixed income marketable securities).</p> <p>III. The amount of investment in individual marketable securities shall not exceed 250% of the paid in capital or net worth, whichever is higher.</p> <p>IV. If the investment is based on the consideration of industrial combination and strategic alliance, the above provisions are not applicable.</p> <p>V. The so-called paid in capital or net value refers to the paid in capital or net value in the latest financial statements of the company and its subsidiaries respectively.</p> <p>VI. The company shall not give up</p>	<p>The Company's 100% subsidiary, Egis Inc., has been dissolved.</p>

Amended Clause	Existing Clause	Explanation
<p>on increasing the capital of Egis Technology (Japan) Inc. in each future year. In the future, if the company must give up on increasing the capital of the above-mentioned company or dispose of the above-mentioned company due to strategic alliance or other factors, it shall first obtain the approval of the Taipei Exchange, and then submit it to the Board of Directors for approval.</p>	<p>on increasing the capital of Egis Inc. and Egis Technology (Japan) Inc. in each future year. In the future, if the company must give up on increasing the capital of the above-mentioned companies or dispose of the above-mentioned companies due to strategic alliance or other factors, it shall first obtain the approval of the Taipei Exchange, and then submit it to the Board of Directors for approval.</p>	
<p>These Operating Procedures for Acquisition or Disposal of Assets were concluded on May 5, 2008.</p> <p>The first amendment was on June 19, 2009.</p> <p>The second amendment was on June 4, 2010.</p> <p>The third amendment was on June 19, 2013.</p> <p>The fourth amendment was on May 30, 2014.</p> <p>The fifth amendment was on October 17, 2014.</p> <p>The sixth amendment was on June 28, 2016.</p> <p>The seventh amendment was on June 22, 2017.</p> <p>The eighth amendment was on May 30, 2018.</p> <p>The ninth amendment was on June 18, 2019.</p> <p>The tenth amendment was on June 18, 2020.</p> <p><u>The eleventh amendment was on June 17, 2021.</u></p>	<p>These Operating Procedures for Acquisition or Disposal of Assets were concluded on May 5, 2008.</p> <p>The first amendment was on June 19, 2009.</p> <p>The second amendment was on June 4, 2010.</p> <p>The third amendment was on June 19, 2013.</p> <p>The fourth amendment was on May 30, 2014.</p> <p>The fifth amendment was on October 17, 2014.</p> <p>The sixth amendment was on June 28, 2016.</p> <p>The seventh amendment was on June 22, 2017.</p> <p>The eighth amendment was on May 30, 2018.</p> <p>The ninth amendment was on June 18, 2019.</p> <p>The tenth amendment was on June 18, 2020.</p>	<p>Add amendment date</p>

[Exhibit 7]

Comparison Table of Pre- and Post-Amendment Clauses of Procedures for Election of Directors and Independent Directors

Egis Technology Inc.

Amended Clause	Existing Clause	Explanation
<p>4. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p>	<p>4. Elections of <u>independent</u> directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected</p>	<p>Meeting the amended simplified director nomination work procedures in Article 192-1 of the Company Law.</p>
<p>This clause is deleted.</p>	<p>10. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot. For a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental institution or juristic person shareholder, the name of the governmental institution or juristic person shareholder shall be entered in the column for the candidate's account name in the ballot, or both the name of the governmental institution or juristic person shareholder and the name of its</p>	<p>This clauses is deleted to meet the order Jin Guan Zheng Jiao Zi No. 1080311451 from the Financial Supervisory Commission issued on April 25, 2019.</p>

	representative may be entered. When there are multiple representatives, the names of the respective representatives shall be entered.	
<p>11. A ballot is invalid under any of the following circumstances:</p> <p>(1) The ballot prepared <u>by the Convener</u> is not used.</p> <p>(2) A blank ballot is placed in the ballot box.</p> <p>(3) The writing is unclear and indecipherable or <u>has been altered</u>.</p> <p>(4) Upon verification, the name of the candidate entered in the ballot does not conform to those stated on the candidate list.</p> <p>(5) Other words are entered in addition to the number of voting rights allotted.</p>	<p>11. A ballot is invalid under any of the following circumstances:</p> <p>(1) The ballot <u>was not</u> prepared by <u>the Board of Directors of the Company</u>.</p> <p>(2) A blank ballot is placed in the ballot box.</p> <p>(3) The writing is unclear and indecipherable or <u>has been altered, and no correction has been made according to the law</u>.</p> <p>(4) The <u>name</u> of the candidate entered in the ballot, and his <u>shareholder account number (or identity card number)</u> do not conform to those stated in the <u>shareholder register</u>.</p> <p>(5) The number of candidates filled in the ballot exceeds the number of stipulated seats.</p> <p>(6) Other words are entered in addition to <u>the name of the candidate entered in the ballot, and his shareholder account number (or identity card number)</u>, as well as the number of voting rights allotted.</p> <p>(7) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	<p>In accordance with the provisions of Article 173 of the Company Law, shareholders may, under special circumstances, after reporting to the competent authority for approval, convene a meeting on their own and propose to cooperate with the adjustment of the first paragraph of this article. In addition, in order to coordinate with the Financial Supervisory Commission's order No. 1080311451 issued on April 25, 2019, paragraphs 4 and 6 of the original article are adjusted and paragraphs 5 and 7 are deleted.</p>
<p>12. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or</p>	<p>12. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or</p>	<p>Amended to meet practical work.</p>

<p>supervisors and the numbers of votes with which they were elected, shall be announced by the chair <u>or somebody designed by the chair</u> on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.</p> <p>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.</p> <p>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	
<p>15. These Procedures were formulated on October 17, 2014.</p> <p>The first amendment was made on June 30, 2015.</p> <p><u>The second amendment was made on June 17, 2021.</u></p>	<p>15. These Procedures were formulated on October 17, 2014.</p> <p>The first amendment was made on June 30, 2015.</p>	<p>Add amendment date</p>

[Appendix 1]

Egis Technology Inc.

Articles of Incorporation of the Company

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act. It is known as “神盾股份有限公司”, with its English name as “Egis Technology Inc.”.

Article 2: The businesses conducted by the Company are:

1. I301010 Information software services.
2. I301020 Information process services.
3. I301030 Electronic information supply services.
4. I501010 Product designing.
5. F401010 International trade.
6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is incorporated in Taipei. The Board of Directors may, by resolution, approve the establishment of branches, offices or liaison offices at home and abroad; and the cancellation or modification of such establishment shall also be conducted based on the resolutions of the Board of Directors.

Article 4: The method of public announcements by the Company shall be handled in accordance with the provisions of Article 28 of the Company Act.

Article 5: When the Company invests in another company and becomes a shareholder of limited liability, its total investment amount may exceed 40% of the Company's paid-up capital.

The Company may provide endorsement or guarantee to external parties for business or investment relations needs.

Chapter 2 Share Capital

Article 6: The total capital of the Company shall be NTD 1,000,000,000, divided into 100,000,000 shares of NTD 10 each, to be issued in separate trenches; and the Board of Directors is authorized to issue the un-issued shares based on actual needs.

Out of the total capital amount above, NTD 50,000,000 shall be divided into 5,000,000 shares with a par value of NTD 10 per share, to be issued as stock warrants for employees to subscribe; and such issuance in separate trenches shall be based on the resolutions of the Board of Directors.

The issuance of stock warrants to the Company's employees need not be subject to the exercise price restriction set out in Article 53 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", provided that the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares is obtained.

Article 7: The share certificates of the Company shall be in registered form, and prior to their issuance, they shall be signed by or affixed with the seals of no less than three Directors of the Company, and be certified pursuant to the law.

The Company may be exempted from printing any share certificate for the shares issued, but the Company shall ensure that a recordation of the issuance of such shares is made with a centralized securities custody enterprise/ institution.

Article 8: The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of an annual general meeting, or within 30 days prior to the convening date of an extraordinary general meeting, or within five days prior to the record date fixed by the Company for distribution of dividends and bonuses or other benefits.

Article 9: The Company shall handle the shareholder services according to the provisions of “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority, in addition to the relevant laws and regulations.

Chapter 3 Shareholders Meetings

Article 10: Shareholders’ meetings are of two types, namely annual general meetings and extraordinary general meetings. Annual general meetings shall be convened at least once a year by the Board of Directors according to the law within six months after the close of each fiscal year. Extraordinary general meetings shall be convened whenever necessary according to the law.

Article 11: If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or is unable to exercise his duties and powers for any reason, its proxy shall act in accordance with the provisions in Article 208 of the Company Act. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 12: If any shareholder of the Company is unable to attend a shareholders meeting in person, the shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company, stating therein the scope of power authorized to the proxy. The manner in which the shareholders of the Company authorize proxies for attendance at shareholders meetings shall be handled according to the provisions of “Regulations Governing the Use of Powers of Attorney for Attendance at Shareholders Meetings of Public Companies” promulgated by the competent authority, in addition to Article 177 of the Company Act and other relevant laws and regulations.

Article 13: Unless otherwise provided in the Company Act or other laws, the respective shareholders of the Company shall be entitled to one vote for each share held, except for the shares deemed as non-voting shares under Article 179 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

Article 14: Except when otherwise provided in the relevant laws, resolutions at a shareholders' meeting shall be adopted by a majority vote of the attending shareholders, who represent more than one-half of the total number of issued shares.

Article 15: Matters related to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic format.

The meeting minutes stated above may be distributed by means of a public announcement.

Article 16: Deleted

Chapter 4 Directors and Audit Committee

Article 17: 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. A candidate nomination system shall be adopted for the directors, and they shall be elected from the list of director candidates by the shareholders.

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.

With regard to the professional qualifications, shareholding and moonlighting restrictions of independent directors, nomination and election method for all directors, and other compliance requirements, they shall be handled according to the relevant regulations of the competent authority.

Article 18: The Directors shall constitute the Board of Directors and shall elect one Chairman and one Vice-chairman of the Board from among themselves by the consent of a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall internally preside the shareholders meetings and Board meetings, and shall externally represent the Company; and shall execute his duties and powers according to the law.

Article 19: Board meetings shall be convened by the Chairman, unless otherwise provided in the Company Act. Except when otherwise provided in the Company Act, resolutions at a Board meeting shall be adopted by the consent of a majority of the directors present at the meeting.

The Board meetings shall be convened at least once a quarter. The reasons for convening a Board meeting shall be specified in a notice served to every director seven days in advance. However, a Board meeting may be convened at any time in emergency situations. The notice on the convening of a Board meeting of the Company may be served by correspondence, e-mail or fax.

A Board meeting may be convened via video conferencing, and the directors taking part in such video conference shall be deemed to have attended the meeting in person.

Where the Chairman is on leave or is unable to exercise his duties and powers for any reason, his proxy shall act according to the provisions in Article 208 of the Company Act.

If any director is unable to attend a Board meeting in person, the director may appoint another director to attend the meeting as his proxy through a power of attorney, provided that the scope of power authorized to the proxy is clearly stated in the power of attorney each time. Independent directors shall attend the Board meetings in person or appoint other independent directors to attend on their behalf. A proxy under the preceding paragraph may accept

authorization from one person only.

Article 20: Remunerations of all directors shall be determined and paid by the Board of Directors as authorized by the Company, according to the degree of participation in the operations of and contribution to the Company, and with reference to the standard as generally adopted by the enterprises of the same industry, regardless of whether the Company is experiencing a loss in business.

Article 21: The Company shall authorize the Board of Directors to purchase liability insurance covering the liability for compensation to be assumed by all directors for the scope of business conducted within their term of office in accordance with the law.

Article 21-1: The Company may establish functional committees under the Board of Directors, and the establishment and duties and powers of the relevant committees shall be carried out according to the regulations prescribed by the competent authorities.

Article 21-2: The Company shall establish an audit committee comprising all independent directors according to Article 14-4 of the Securities and Exchange Act. The audit committee and the exercise of duties and powers by its members, as well as other related matters shall be subject to the provisions of the Securities and Exchange Act and relevant laws.

Article 21-3: Matters related to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting.

Chapter 5 Managers

Article 22: The Company may establish positions for chief executive officer, general manager and deputy general manager, and their appointment, dismissal and remunerations shall be handled in accordance with the provisions of Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: The Company's fiscal year shall be from January 01 to December 31. The Board of Directors shall prepare the business report, financial statements and proposal for earnings distribution or loss offsetting at the end of each fiscal year, and submit them to the Audit Committee for review thirty days prior to the convening of the annual general meeting, followed by ratification thereof at the annual general meeting.

Article 24: If the Company makes a profit in the year (the so-called profit refer to the pre-tax profit before the deduction of remunerations payable to the employees and directors), it shall set aside no less than 5% of the profits for employee remunerations and no more than 1% for director remunerations. However, if the Company has accumulated losses (including the adjustment of undistributed earnings amount), the amount for offsetting should first be retained.

The employee remunerations stated above may be paid in the form of shares or cash, and the object of payment shall include the employees of subsidiaries who meet the conditions set by the Board of Directors. The director remunerations stated above may only be paid in the form of cash.

The two items above shall be handled according to the resolutions of the Board of Directors and reported at the shareholders meeting.

After the closing of accounts for the year, if there is net profit after tax for the current period, the Company shall first pay the taxes, make up for accumulated losses (including adjustment of undistributed earnings amount), and then set aside 10% of the said profits as legal reserve; where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. The company shall also set aside or reverse another sum as special reserve in

Article 24-1:

accordance with the law or regulations of competent authorities. The Board of Directors shall draft an earnings distribution proposal for the remaining earnings amount, as well as the undistributed earnings at the beginning of the period (including the adjustment of undistributed earnings amount), and submit it for resolution at the shareholders meeting for the distribution of dividends and bonuses to the shareholders.

The Company's dividends policy is in line with the current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders and other such factors taken into account; and with reference to the general standard of dividends issuance in the same industry and capital market as the basis for dividends issuance. Dividends and bonuses may be distributed in the form of cash or shares, of which cash dividends shall be no less than 20% of the total shares.

Chapter 7 Supplementary Provisions

Article 25: In the event of any cancellation of public offering by the Company, this shall be handled in accordance with the provisions of Article 156 of the Company Act.

Article 26: For all matters not addressed in this Articles of Incorporation, they shall be handled according to the Company Act and other relevant laws and regulations.

Article 27: 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.

The twelfth amendment was made on May 30, 2018.

[Appendix 2]

Egis Technology Inc.

Rules of Procedure for Shareholders Meetings

Article 1

The Rules of Procedure for the Company's shareholders meetings, except as otherwise provided by the laws and regulations, or the Articles of Incorporation, shall be exercised as provided in these Rules.

Article 2

Unless otherwise provided by the laws and regulations, the Company's shareholders meetings shall be convened by the Board of Directors.

After the public offering of the Company's shares, the Company shall prepare electronic versions of the shareholders meeting notice and power of attorney, and the subject matters of and explanatory materials related to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary general meeting. The Company shall prepare electronic versions of the meeting handbook and supplemental meeting materials of the shareholders meeting and upload them to the MOPS 21 days before the date of the annual general meeting or 15 days before the date of the extraordinary general meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall ensure that the meeting handbook and supplemental meeting materials for the said meeting have been properly prepared and made available for viewing by shareholders at any time. The meeting handbook and supplemental meeting materials shall also be displayed at the Company and its appointed professional shareholder services agencies, as well as being distributed on-site at the meeting venue. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement; with the consent of the addressee, the meeting notice may be served in the electronic format.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or

demerger of the company, or any matter under Article 185, Paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the shareholders meeting, with the essential contents explained; none of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where the notice of the reasons for convening the shareholders meeting specifies an reelection of all directors as well as the date when they will assume office, after the election is completed at such shareholders meeting, the date when they will assume office may not be changed again at such same meeting through an extraordinary motion or any other method.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at an annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the Board of Directors.

In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda. Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals shall not be less than 10 days. Proposals submitted by shareholders are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and participate in discussion of the said proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals from the meeting agenda.

Article 3

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for holding a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 4

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or is unable to exercise his duties and powers for any reason, the Vice-chairman shall act on behalf of the Chairman. If there is no Vice-chairman or the Vice-chairman is also on leave or is unable to exercise his duties and powers for any reason, the Chairman shall appoint one of the managing directors to act as chair. If there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as the chairman, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more, and understands the financial and business situation of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the directors, and at least one member of each functional committee as representative of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

Article 5

If any shareholder of the Company is unable to attend a shareholders meeting in person, the shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company, stating therein the scope of power authorized to the proxy.

Except for trust enterprises or shareholder services agencies approved by the competent securities authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of issued voting shares of the company, otherwise, the portion of excessive voting powers shall not be counted.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such power of attorney to the Company five days prior to the meeting date of the shareholders' meeting. In case two or more powers of attorney are served, the first one delivered to the Company shall prevail, unless an explicit statement to revoke the previous proxy appointment is made.

After a power of attorney has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise his voting power by correspondence or electronic means, a proxy rescission notice shall be served to the Company two days prior to the date of the shareholders' meeting. If the proxy rescission notice is not served in time, the voting power exercised by the proxy at the meeting shall prevail.

Article 6

The time during which shareholder attendance registrations will be accepted by the Company shall be at least 30 minutes prior to the time of commencement of the meeting. The venue at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations.

During the shareholders meetings held by the Company, the Company shall furnish the attending shareholders or their proxies with an attendance book for signing in, or the attending shareholders may submit a sign-in card in lieu of signing in.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other supporting documents of attendance. The Company may not arbitrarily add requirements for the provision of other supporting documents beyond those showing eligibility of attendance presented by the shareholders. Solicitors soliciting powers of attorney shall also bring identification documents for verification.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to

attend a shareholders meeting as proxy, it may designate only one person to represent it in the meeting.

Article 7

Attendance at shareholders meetings shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards submitted, plus the number of shares whose voting rights are exercised by correspondence or electronic means.

Article 8

The Chairman shall call the meeting to order at the appointed meeting time when the meeting is attended by shareholders representing more than half of the total number of issued shares. If the quorum is not met, the Chairman may announce a deferment of the meeting. Such deferment is restricted to a maximum of two times and the total time of such deferments shall not exceed one hour.

If the quorum is still not met after two deferments, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. All shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

Article 9

A shareholder of the Company shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed as non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting, but the voting right that may be exercised shall be calculated on the basis of the total number of shares it holds.

A shareholder who has a personal interest in any matter under discussion at a meeting, which may impair the interests of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

When the Company holds a shareholders meeting, it may allow the shareholders to

exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, the said shareholder will be deemed to have waived his rights with respect to the Extemporaneous Motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall serve a declaration of intent to the Company two days before the date of the shareholders meeting. Where duplicate declarations of intent are served, the one received earliest shall prevail, except when a declaration is made to revoke the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event that the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be served to the Company, via the same means by which the voting rights were exercised, two days before the date of the shareholders meeting. If the notice of retraction is not served in time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Article 10

The Company may designate attorneys, certified public accountants, or relevant personnel appointed by it to attend a shareholders meeting in a non-voting capacity.

Article 11

The Company shall make uninterrupted audio and video recordings for the entire course of the shareholders meeting, and the recorded materials shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the said lawsuit.

Article 12

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

The Chairman may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda set out in the two paragraphs above (including Extemporaneous Motions), except by a resolution of the shareholders meeting. If the Chairman declares the meeting adjourned in violation of the Rules of Procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by the agreement of a majority of the votes represented by the attending shareholders, and continue the meeting thereafter.

The Chairman shall allow ample opportunities during the meeting for explanation and discussion of proposals, and of amendments or Extemporaneous Motions put forward by the shareholders. When the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a vote.

Article 13

Before speaking, an attending shareholder or proxy must specify on a speaker's slip the subject of the speech, his shareholder account number or attendance card number and account name. The order in which shareholders speak will be decided by the Chairman.

An attending shareholder or proxy who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject stated on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairman and the shareholder that has the floor. The Chairman shall stop any such violation.

Article 14

When there is an amendment or an alternative to a proposal, or other proposals raised through Extemporaneous Motions by a shareholder or proxy, it shall be seconded by other shareholders or proxies, and the same applies for amendment of the meeting agenda or motion for adjournment of meeting.

Article 15

Except with the consent of the Chairman, a shareholder or proxy may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the provisions in the preceding paragraph or exceeds the scope of the agenda item, the Chairman may terminate the speech.

Article 16

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

If a juristic person shareholder appoints two or more representatives to attend the shareholders meeting, only one representative may speak on the same proposal.

Article 17

After the speech of a shareholder, the Chairman may respond in person or appoint a relevant personnel to respond.

Article 18

When the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a vote.

Article 19

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting shall be conducted in public at the venue of the shareholders meeting. The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made.

Article 20

When a meeting is in progress, the Chairman may set time for breaks at his discretion.

Article 21

Except as otherwise provided in the Company Act and the Articles of Incorporation of the Company, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

If the Chairman of the meeting inquires of the opinions of all attending shareholders and receives no objection to the proposal, the motion is deemed passed, with equivalent force as a resolution by vote.

If there is objection, the proposal shall be submitted for discussion and voting again, but no further objection may be raised after the Chairman announced the resolution upon inquiry with all attending shareholders and no objection was raised.

Article 22

When there is an amendment or an alternative to a proposal, the Chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 23

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The Chairman may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order at the meeting venue, they shall wear an identification card or armband bearing the word "Proctor."

At the venue of a shareholders meeting, if a shareholder attempts to speak through any

equipment other than the public address equipment set up by the Company, the Chairman may prevent the shareholder from doing so.

Where a shareholder violates the Rules of Procedure and defies the Chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the Chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 24

Matters related to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic format, and in accordance with the provisions of the Company Act.

Companies with public offering of shares may distribute the meeting minutes stated above by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the Chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of votes); when there is an election of directors, the number of votes received by each elected director shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

With regard to the method of resolution in the preceding paragraph, if the Chairman of the meeting inquires of the opinions of all shareholders and the shareholders have no objection to the proposal, "the resolution is passed after the Chairman has inquired of the opinions of all attending shareholders and no objection was raised" shall be stated; however, if there is objection to the proposal by the shareholders, the method of voting and the electoral vote count and proportion of the votes shall be stated.

Article 25

When a meeting is in progress, the Chairman may set time for breaks at his discretion. If a force majeure event occurs, the Chairman may rule the meeting temporarily suspended and in view of the circumstances, announce a time when the meeting will be resumed.

If the meeting venue is no longer available for continued use at the appointed time and not all of the items (including Extemporaneous Motions) on the meeting agenda have been

addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with the provisions in Article 182 of the Company Act.

Article 26

In the case of election of directors during the shareholders meeting, the election shall be handled according to the relevant election procedures formulated by the Company and the results shall be announced on-site at the meeting, including the list of elected directors and the electoral vote count.

The ballots for the electoral item in the preceding paragraph shall be sealed and signed by the vote monitoring personnel and properly safe-kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the said lawsuit.

Article 27

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 28

These Rules were formulated on June 30, 2008.

The first amendment was made on June 15, 2012.

The second amendment was made on December 10, 2013.

The third amendment was made on October 17, 2014.

The fourth amendment was made on June 30, 2015.

The fifth amendment was made on June 18, 2020.

[Appendix 3]

The effect of this stock grant on the business performance, earnings per share and return on investment of shareholders of the Company is as follows:

The Company did not issue any stock grant for the current year, thus this is not applicable.

[Appendix 4]

**Egis Technology Inc.
Current Shareholding of All Directors**

1. Types of shares and total shares issued: 71,375,754 ordinary shares.
2. In accordance with the provisions in Article 26 of the Securities and Exchange Act and Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum number of shares to be held by all directors is: 5,710,060 shares.
3. As of the book closure date of this shareholders meeting, the number of shares held by all the directors as stated in the roster of shareholders is as follows:

Position	Name	Number of Shares Held
Chairman	LO, SEN CHOU	3,546,262
Vice Chairman	YU, MING-TO	100,000
Director	HEADWAY CAPITAL LIMITED Representative: LIN, GONG-YI	2,700,000
Director	HEADWAY CAPITAL LIMITED Representative: LIU, DING-JEN	2,700,000
Director	SHIH, CHEN-JUNG	0
Director	RO, SHIH-HAO	132,000
Independent Director	WENG, MING-JENG	23,000
Independent Director	HUANG, TA-LUN	0
Independent Director	CHEN, LAI-JUH	0
Total number of shares held by all shareholders (excluding independent directors)		6,478,262

Note: The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph. If a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors shall be decreased by 20 percent.