



SUN MAX TECH LIMITED

2020 Annual Shareholders Meeting Minutes

Time: 9:00 a.m. on June 19 (Friday), 2020

Location: B2 Conference Room, Concord Securities Co., Ltd. (B2, No. 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110)

Attendance: Total shares represented by shareholders present in person or by proxy:

18,927,485 shares as for 67.69% of total outstanding 27,962,229 shares. (excluding shares without voting rights 230,000 shares)

Chairman: HSU Wen-Faung

Recorded by: Chen Ying- Ju

Directors present: HSU Wen-Faung for and on behalf of SINOTEAM HOLDINGS INC

LAI, Jen-Chung ; HSIEH, Yu-Tien(Independent director) ; CHEN, Tien-Szu(Independent director) ; CHIU, Shih-Fang(Independent director) ; and Cheng-Hsiu Yang (Deloitte & Touche)(Accountants) ; LIN Chih-Feng (CFO)

Company Reports

No. 1:

Subject: Presenting the 2019 Business Report

Notes: The 2019 Business Report is on Attachment 1 of the Handbook.

No. 2:

Subject: Presenting the 2019 Audit Committee's Review Report

Notes: 1. The 2019 Audit Committee's Review Report is on Attachment 2 of the Handbook.

2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

No. 3:

Subject: Presenting the 2019 Distribution Status of Remuneration to Employees and Directors

Notes: 1. According to the Company's Article 129 of Incorporation, the remuneration distributed to employees and directors in 2019 are NT\$ 2,430,943 and NT\$ 1,944,755, respectively. Please refer to Attachment 3 of the Handbook.

2. The motion has been resolved by the 3rd meeting of the 2nd term of the Remuneration Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

No. 4:

Subject: Presenting the Execution Status of Share Repurchase

- Notes:
1. Conducted in accordance with Article 28-2 of the Securities Exchange Act.
 2. The Company has reported to the Securities and Futures Bureau, Financial Supervisory Commission about repurchasing the Company's shares from the stock exchange market for the purpose of "transferring shares to the employees".
 3. The execution status of the Company's 1st share repurchase is as follows:

Period No.	The 1st time
Date of Board resolution	2018/08/08
Purpose of repurchase	Transferring stocks to employees
Repurchase period	2018/08/10~2018/10/08
Price range at which scheduled to be repurchased (NT\$)	NT\$ 110~ NT\$ 55
Type and amount (shares) of the repurchased shares	230,000 ordinary shares
Amount of the repurchased shares (NT\$)	NT\$ 15,286,879
Average repurchase price per share (NT\$)	NT\$ 66.46
Shareholdings that have been cancelled and transferred (shares)	0 Shares
Accumulated shareholdings of the Company (shares)	230,000 Shares
Percentage of accumulated shareholdings of the Company to total issued shares (%)	0.97%
Reasons for not completing the repurchase during the repurchase period	In order to take care of both the market mechanism and the shareholders' interests, the Company conducts the repurchase in batches based on the change of stock price, and thus the Company has not completed the repurchase of treasury shares this time.

1. Consider of the stock price which has been lower than the average repurchase price, the Company's stock would not be transferred to employees presently.

No. 5:

Subject: Presenting the Report on the Status of Issuing the 1st Unsecured Convertible Bond in R.O.C.

- Notes:
1. In order to replenish working capital and provide the Company with competitive advantage, the Company's issuance of the 1st unsecured convertible bond in R.O.C. has been passed by the Board of Directors on October 29, 2019, and has been effective since December 10, 2018 in accordance with Jin-Guan-Zheng-Fa-Zi No. 10703446871 published by the Financial Supervisory Commission.
 2. As of April 30, 2020, the status of execution is as follows:

Bond type	The 1st Unsecured Convertible Bond in R.O.C.
Issue date	January 3, 2019
Face Value	NT\$ 100,000

Bond type	The 1st Unsecured Convertible Bond in R.O.C.	
Place of Issue and Trading	Taipei Exchange (TPEX)	
Issuing price	The bond is issued with 100% par value of NT\$ 100,000.	
Total amount	NT\$ 150,000,000	
Interest rate	Coupon rate 0%	
Maturity	3 years, matured on January 3, 2022.	
Guarantee Institution	None	
Trustee	Taishin International Bank	
Consignee	Concord Securities Co., Ltd.	
Certified Lawyer	Jheding International Law Offices Lawyer, Yu-Liang Chen	
Certified CPA	Deloitte & Touche CPA, Cheng-Hsiu Yang; CPA, Wang-Sheng Lin	
Repayment Methods	Except for the case where the holders of the convertible bonds convert them into the Company's ordinary shares in accordance with Article 13 of the Regulations or exercise the put options in accordance with Article 22 of the Regulations, and where the Company calls the bonds or purchases them back from the security houses for cancellation in advance in accordance with Article 21 of the Regulations, the Company redeems the bonds with cash at the face value when the convertible bonds are due.	
Amount not repaid	NT\$ 67.4 millions	
Redemption or earlier redemption	It is handled in accordance with the regulation of bond redemption right defined in Article 22 of the issuing rules.	
Limitation Article	Please refer to the Regulations on the Issuance and Conversion of the 1st Secured Convertible Bonds in R.O.C.	
Name of the credit rating agency, rating date, and rating results	Not applicable	
Other equity attached	The amount of converted (swapped or purchased) ordinary shares, GDRs or other securities as of the date when the handbook was printed	As of April 21, 2020, the date for the suspension of share transfer, 826 corporate bonds were converted into 1,989,229 ordinary shares for the first time in Republic of China.
	For the Regulations on Issuance and Conversion (Swap or Purchase),	Please refer to the bond issuance data on the section of bond credit rating on the MOPS.
Rules for issuing, conversion, exchange or purchase, possible dilutions of equity from the issuing conditions, and the impacts on the rights of the existing shareholders	By the end of April 21, 2020, the date for suspension of share transfer, the first unsecured convertible corporate bonds issued by the company in the Republic of China, 826 pieces of the first secured convertible corporate bonds had been converted and 674 pieces were not converted. The current conversion price is NT\$41.49. Assume that all bondholders unconvert their convertible bonds at the conversion price, the shares that will be converted into the Company's ordinary shares are 1,624 thousand shares. Based on the Company's current issued outstanding shares of 28,192 thousand shares plus convertible shares, the dilution ratio is about 5.45%, which is not significant. Furthermore, the holders of convertible bonds usually convert their bonds into ordinary shares gradually, and thus equity dilution does not occur immediately. As a	

Bond type	The 1st Unsecured Convertible Bond in R.O.C.
	result, the issuance of convertible bonds this time will not have significant impact on shareholders' equity.
Custody Agency Name for the Exchange Target	Not applicable

No. 6:

Subject: Presenting the amendment to the "Rules of Procedure for Board of Directors Meetings".

- Notes:
1. The Procedures have been amended in accordance with Jin-Guan-Zheng-Fa-Zi No. 10803619346 published by the Financial Supervisory Commission on January 15, 2020. For the corresponding table of relevant amended articles, please refer to Attachment 4 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

No. 7:

Subject: Presenting the amendment to the "Procedures for Corporate Management and Guidelines for Conduct".

- Notes:
1. The Articles have been amended in accordance with Tai-Zheng-Chih-Li Zi No. 1090002299 published by the Taiwan Stock Exchange Corporation on February 13, 2020. For the corresponding table of relevant amended articles, please refer to Attachment 5 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

Proposals

No. 1: [Proposed by the Board]

Subject: Presenting the Company's 2019 Business Report and Financial Report.

- Notes:
1. The Company's 2019 Consolidated Financial Report has been audited by CPA, Cheng-Hsiou Yang and CPA, Wang-Sheng Lin from Deloitte & Touche and has been provided with an audit report with unqualified opinions. For the business report and consolidated financial report, please refer to Attachment 1 and Attachment 6 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020. Presented for recognition here in accordance with laws.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,610,503 Votes (including 124,806 votes casted in electronic form)	98.33%
Against Votes : 5,065 Votes (including 5,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 311,917 Votes (including 304,917 votes in electronic form)	1.65%

No. 2: [Proposed by the Board]

Subject: Presenting the Company's 2019 Earnings Distribution Proposal

- Notes:
1. For the Company's 2019 Earnings Distribution Proposal, the Company plans to appropriate NT\$ 40,945,527 from earnings as cash dividends of NT\$ 1.5 per share. For the 2019 earnings distribution statement, Please refer to Attachment 3 of the handbook.
 2. After the earnings distribution proposal this time has been acknowledge and passed by the general shareholders' meeting, the Company plans to ask the shareholders' meeting to authorize the Chairman in deciding on another ex-dividend date and other relevant matters. When distributing cash dividends, the total dividends to the shareholders are distributed down to the dollar, and the amount less than one dollar is rounded off. Any discrepancy will be expensed or recognized as other revenue by the Company. In addition, if the dividend rate changes due to the impact of the Company's share repurchase or cancellation, capital increase by cash and issuance of shares and conversion of bonds on outstanding shares, the Company may propose to the general shareholders' meeting to authorize the Chairman to handle the related matters.
 3. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020. Presented for recognition here in accordance with laws.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,609,503 Votes (including 123,806 votes casted in electronic form)	98.32%
Against Votes : 6,065 Votes (including 6,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 311,917 Votes (including 304,917 votes in electronic form)	1.65%

Discussions

No. 1: [Proposed by the Board]

Subject: Presenting the Company's amended "Articles of Incorporation".

- Notes:
1. The Articles have been amended in accordance with Tai-Zheng-Shang-Er-Zi No. 1080023568 published by the Taiwan Stock Exchange Corporation on December 25, 2019. For the corresponding table of relevant amended articles, please refer to Attachment 7 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,607,503 Votes (including 121,806 votes casted in electronic form)	98.31%
Against Votes : 5,065 Votes (including 5,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 314,917 Votes (including 307,917 votes in electronic form)	1.66%

No. 2: [Proposed by the Board]

Subject: Presenting the Company's amended "Procedures for Lending Funds to Other Parties".

- Notes:
1. According to Subparagraph 4, Article 3 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Paragraph 3, Article 8 is added to engage in loan of funds between foreign subsidiaries that is 100% of voting shares, directly or indirectly, hold by the company, or foreign companies that is 100% of voting shares, directly or indirectly, hold by the company engage in loan of funds to the company. The loan period, extension times and each extension period when engaging in fund loan have been revised. Please refer to Attachment 8 of this manual for the comparison table of relevant amendments.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020, and is presented here for discussion in accordance with laws.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,607,503 Votes	98.31%

(including 121,806 votes casted in electronic form)	
Against Votes : 5,065 Votes (including 5,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 314,917 Votes (including 307,917 votes in electronic form)	1.66%

No. 3: [Proposed by the Board]

Subject: Presenting the Company's amended "Rules of Procedure for Shareholder Meetings".

- Notes
1. The Articles have been amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 10800242211 published by the Taiwan Stock Exchange Corporation on January 2, 2020. For the corresponding table of relevant amended articles, please refer to Attachment 9 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,607,503 Votes (including 121,806 votes casted in electronic form)	98.31%
Against Votes : 5,065 Votes (including 5,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 314,917 Votes (including 307,917 votes in electronic form)	1.66%

No. 4: [Proposed by the Board]

Subject: Presenting the Company's amended "Director Election and Appointment Procedure".

- Notes:
1. The Procedures have been amended in accordance with Jin-Guan-Zheng-Fa-Zi No. 10803619346 published by the Financial Supervisory Commission on January 15, 2020. For the corresponding table of relevant amended articles, please refer to Attachment 10 of the handbook.
 2. The motion has been resolved by the 6th meeting of the 2nd term of the Audit Committee on March 19, 2020 and the 6th meeting of the 3rd term of Board of Directors on March 19, 2020, and is presented here for discussion in accordance with laws.

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,607,503 Votes (including 121,806 votes casted in electronic form)	98.31%
Against Votes : 5,065 Votes (including 5,065 votes casted in electronic form)	0.03%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 314,917 Votes (including 307,917 votes in electronic form)	1.66%

Other matters

No. 1: [Proposed by the Board]

Subject: Presenting the Motion for Cancelling the Non-compete Restriction on Newly-elected Directors and their Representatives.

Notes: 1. If the Company's newly-elected directors and their representatives invest in or operate other companies that have the same or similar business scope with the Company, and they serve as the directors and managers in the companies, under the prerequisite of not harming the Company's interests, the Company may propose to the shareholders' meeting to cancel their non-compete restriction in accordance with laws.

2. The release details are as follows:

Name	To bring to the shareholders' meeting to lift the non-competition Concurrent company/position
Legal person director: SINOTEAM HOLDINGS INC. Representative: HSU Wen-Faug	Director/general manager of Tai-yi (Jiangxi) Electronic Technology Co., Ltd
Director: LIN, Chun-Yen	Taiyi (Jiangxi) Electronic Technology Co., Ltd.: Vice President
Director: LI, Yung-Yi	Taiyi (Jiangxi) Electronic Technology Co., Ltd.: Assistant Vice President
Director: LAI, Jen-Chung	Tai-Yi (Jiangxi) Electronic Technology Co., Ltd.: Supervisor

Resolved : the above proposal be and hereby was approved as proposed

Vote Results :

Voting Results	% of the total represented share present
Votes in favor : 18,594,571 Votes (including 108,874 votes casted in electronic form)	98.24%
Against Votes : 17,144 Votes (including 17,144 votes casted in electronic form)	0.09%
Invalid votes : 0 Votes (including 0 votes casted in electronic form)	0%
Abstained votes/ no votes : 315,770 Votes (including 308,770 votes in electronic form)	1.67%

Questions and Motions : There being no other business and special motion.

Adjournment : The meeting was adjourned at a.m. 9:28

I. Attachment

Attachment 1. 2019 Business Report

SUN MAX TECH LIMITED **2019 Business Report**

In the first half year of 2019, the overall revenue performance slightly decreased due to the influence of the display card market digesting the inventory of old chip display cards. In the second half year of 2019, due to the introduction of enhanced performance advanced graphics chips by NVIDIA and AMD chip factories, the end of the market of display cards digesting the inventory of old models and the solution of Intel CPU shortage, the overall display card market in the second half year of 2019 showed significant warming momentum, further boosting the company's competitive display card cooling fan shipments.

In recent years, new niche cooling fan product market has been actively distributed, and preliminary results have been achieved. In terms of AI intelligent fan products, the company has passed the customer certification and jointly developed the AI intelligent fan with digital built-in artificial intelligence function and remote control. In addition to being used in the electric competition products, it can also be used in the high-level basic product market such as cloud network, smart home appliances and efficient computing system. As AI intelligent fan is a technology independently developed and patented by the company, it is expected to widen the gap between the Company and its competitors. With the increasing demand for 5G high-frequency and high-speed transmission, the heat dissipation effect, stability and product life of Netcom products have increased significantly. We continue to develop a number of high-level Netcom cooling fan products with our customers. In 2020, we are expected to cross the 5G server, switch and relay station and other high-level Netcom products market.

In June 2019, we purchased more than 22,000 Ping plants and land at the Anfu Industrial Park, Jiangxi Province, China, which will be the main production base of the group in the future. With the diversification of products and the increase of flexible demand for production line configuration, in the second half year of 2019, some production lines will be gradually moved to the Jiangxi plant. In addition to further improving the operating efficiency and effectively controlling the cost, it is expected that Jiangxi plant will start its trial production in the first quarter of 2020 and enter the mass production stage in the second half of the year. The overall production capacity of the company is expected to increase again, which will create more benefits for the company.

1. 2019 business overview

(1) 2019 financial performance:

The consolidated turnover of Power Technology in 2019 is NT\$1,184,812 thousand, a decrease of 2.69% compared with NT\$1,217,595 thousand in the previous year. The gross operating profit was NT\$313,931 thousand, an increase of 30.33% compared with NT\$240,877 thousand in the previous year. The net operating profit was NT\$137,267 thousand an increase of 63.85% compared with NT\$83,778 thousand in the previous year, mainly due to different types of production models and efficiency has been improved. In 2019, the earnings per share (EPS) of SUN MAX TECH LIMITED was NT\$ 3.44, and the ROE was 9.35%.

(2) Status of R&D:

- (1) The Company had 25 new fan structure patents in 2019. As the end of 2019, a total of 80 new practical patents have been obtained from the Mainland; 80 new patents from Taiwan; and 1 invention patent from the U.S.
- (2) The Company's 2019 and 2018 R&D expenses were NT\$ 35,949 thousand and NT\$ 31,063 thousand, respectively, and R&D expenses accounted for approximately 3.03% and 2.55% of revenue. In order to meet the needs of various R&D projects, the company will not only expand the scale of the laboratory, purchase the related testing equipment, enhance professional R&D capabilities, cultivate professional R&D talents, cooperate closely with manufacturers and use the company's professional technology to design innovative products, develop new production processes to enhance the company's competitiveness, expand the application fields of non-computer and intelligent fans and servers, and develop new market application projects to expand overall benefits.

2. Summary of 2020 business plan, the Company's future development strategy and impact from external environment

(1) Business policy of 2020:

- (1) With the rapid growth of 5G, IOT, AI, Edge, Cloud, Telcom equipment, high-efficiency and high-speed computing, the company will continue to increase the development of diversified markets and develop the design and application of fans in various industries to maintain technological and product advantages in order to drive new business opportunities and increase market share.
- (2) Continue to promote AI intelligent fans to multiple products for applications in markets.
- (3) Strengthening long-term trust partnerships with customers and continuing to maintain competitive advantage.
- (4) Through innovative R&D design, continue to expand the R&D department manpower and actively train outstanding R&D talents.

(2) The Company's future development strategy:

- (1) With the rise of AI and 5G industries, the rapid design of intelligent fan products that meet the needs of customers has become a competitive indicator and new business opportunities for fan manufacturers.
- (2) With the development of the technology industry and the trend of consuming electronics integration, the Company continues to enhance its core competitiveness and creativity through innovative R&D and design, enhanced manufacturing capabilities and improved application technology.
- (3) The new R&D department has officially set-up. With fan motor as the core technology, it independently develops mobile platform smart home appliances, and develops with customers ODM / JDM / OEM to create more opportunities for win-win.
- (4) With the development of the company's organizational scale, strengthen the pre-service and on-the-job training of the company's employees, cultivate internal talents, improve the quality of employees and optimize the working conditions, and promote the harmony between labor and capital.

(3) Impacts by the external competitive environment, regulatory environment and overall business environment:

The competitive advantages of the Company compared with its peers are as follows: 1. the factory has highly vertical integration, strong process adjustment capability and fast delivery; 2. excellent customization ability; 3. it has a stable brand factory customer base; 4. it deeply cultivates niche type heat dissipation products, which is highly competitive; 5. It has stable customer base and strong competitive strength.

In recent years, the global e-sports market is booming and the output value of e-sports industry is growing steadily. E-sports industry is also included in the scope of application of sports, leisure and education service industry stipulated in the Sports Industry Development Act. The Hangzhou Asian Games, the International Olympic Committee and other sports events have also included e-sports in the official events. It is expected that the medium and long-term development prospect of e-sports industry is promising.

In the first quarter of 2020, affected by the epidemic of coronavirus pneumonia, it impacted the global electronic industry supply chain. In order to prevent the epidemic, the initial control measures had a partial impact on the production capacity. With the high-intensity epidemic prevention measures and the production line personnel returning to work in place, the production momentum has been recovered. In 2020, NVIDIA and AMD chip manufacturers will launch a new generation of chips, which is expected to drive the demand for display cards to flourish. They will fully cooperate with customers to ship, give full play to their advantages in production and marketing, and maintain the best competitiveness. The coronavirus pneumonia epidemic has no significant impact on the company's development and operation.

Chairman: SINOTEAM HOLDINGS INC

Manager: HSU Wen-Faung

Accounting Supervisor: Chen Hui-Ling

Legal representative: HSU Wen-Faung

The Agreed Report of the Audit Committee

The board of directors has prepared the company's business report, financial statements and earnings distribution proposal for 2019. The financial statements have been audited by Yang, Cheng-Hsiu and Lin, Wang-Sheng, certified public accountants of Deloitte CPA Firm and the audit report has been issued. The above-mentioned business report, financial statement and earnings distribution proposal have not been found to be consistent by the audit committee. Therefore, the report is as the above in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act. Please check.

To:

Sun Max Tech Limited

Sun Max Tech Limited

Convener of Audit Committee, HSIEH, Yu-Tien

March 19, 2020

SUN MAX TECH LIMITED
2019 Statement of earnings distribution

Unit: NTD

Item	No.	Subtotal	Total	Remarks
Unappropriated earnings - beginning	1		145,449,480	
Current year net income after tax	2		89,248,301	
Effect of retroactive applicability and recompilation	3		(18,668,344)	
The total amount of net income plus the other accounts other than net income included in current unappropriated earnings	4=1+2+3		216,029,437	
Legal reserve recognized (10%)	-5		(7,057,996)	
Appropriation of special reserve	-6		(33,355,619)	Note 1
Distributable earnings of current period	7=4-5-6		175,615,822	
Distribution				
Shareholders' cash dividends (NT\$ 1.5/share)	-8	(40,945,527)	(40,945,527)	Note 2
Unappropriated earnings - ending	9=7-8		134,670,295	
Additional notes				
Distribution of cash dividends to employee		2,430,943		
Distribution of remuneration to directors/supervisors		1,944,755		

Chairman:

Manager:

Chief accountant:

Note:

1. The special reserve was recognized in accordance with Paragraph 1, Article 41 of the Securities Exchange Act.
2. If, after the earnings distribution proposal this time has been passed by the (2020) General Shareholders' Meeting, the dividend rate changes due to the impact of the Company's share repurchase or cancellation, capital increase by cash and issuance of shares and conversion of bonds on outstanding shares, the Company may propose to the general shareholders' meeting to authorize the Chairman to handle the related matters.

Attachment 4. Comparison Table for Rules of Procedure for Board of Directors Meetings

SUN MAX TECH LIMITED

The comparison table of partial amendments to the “Rules of Procedure for Board of Directors Meetings”

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 7 Where a meeting of the board of directors is called by the Chairman of the board, the meeting shall be chaired <u>by the Chairman</u>. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. <u>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u> If the Chairman is on leave or is unable to exercise his/her powers for certain reasons, the Vice Chairman is to chair the meeting. If a Vice Chairman is not appointed or the Vice Chairman is also on leave or is unable to</p>	<p>Article 7 The Company’s Chairman is to convene and chair the board meeting. However, the first board meeting of each term is to be convened and chaired by the director that receives the most ballots in the shareholders’ meeting. If there are two or more directors with right to convene the meeting, one of them is to be elected for the position. If the Chairman is on leave or is unable to exercise his/her powers for certain reasons, the Vice Chairman is to chair the meeting. If a Vice Chairman is not appointed or the Vice Chairman is also on leave or is unable to perform his duties for certain reasons, the Chairman is to appoint one of the general directors to chair the meeting. If a general director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the Chairman, one of the general directors or directors should be elected among the board members to chair the meeting.</p>	<p>1. As amended by Jin-Guan-Zheng-Fa-Zi No. 10803619346, the first Paragraph shall be amended as appropriate. 2. In accordance with Paragraph 4, Article 203 amended and promulgated on August 1, 2018 of the Company Act, the first board of directors of each session may be convened by more than half of the directors elected, and Paragraph 3, Article 203-1 provides that the board of directors may be convened by more than half of the directors. Therefore, Paragraph 2 is added to specify that the board of directors shall be convened by more than half of the directors (including the first board of directors of each session when the board of directors is convened by more</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>perform his duties for certain reasons, the Chairman is to appoint one of the general directors to chair the meeting. If a general director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the Chairman, one of the general directors or directors should be elected among the board members to chair the meeting.</p>		<p>than half of the directors elected by themselves), the directors shall elect one of each other as chairman.</p>
<p>Article 15 Board directors <u>may express their opinions and answer and inquire</u> their interests in the underlying matters that may be detrimental to the Company’s interests, but they may not participate in the discussion and balloting; also, they are not allowed to join the discussion and voting and must be excused from the meeting and cannot act for other directors to exercise their voting right. <u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</u> The provisions of Article 180, Paragraph 2 of the Company Act, as applied mutatis mutandis under Article</p>	<p>Article 15 Board directors <u>may express their opinions and answer and inquire</u> their interests in the underlying matters that may be detrimental to the Company’s interests, but they may not participate in the discussion and balloting; also, they are not allowed to join the discussion and voting and must be excused from the meeting and cannot act for other directors to exercise their voting right. The provisions of Article 180, Paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, Paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights.</p>	<ol style="list-style-type: none"> 1. According to the amendment of Jin-Guan-Zheng-Fa-Zi No. 1080361934, and in cooperation with the amendment and promulgation of Paragraph 3, Article 206 of the Company Act on August 1, 2018, the Paragraph 2 has been added to stipulates that where any director’ spouse, second level blood relatives or a company which has a controlling subordinate relationship with a director, and has an interest in the matters of the meeting, shall be deemed to have its own interest in the matter. 2. The current Paragraph 2 shall be changed to the Paragraph 3 and

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>206, Paragraph <u>4</u> of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding <u>two</u> paragraphs from exercising voting rights.</p>		<p>the Paragraph 3 of Article 206 shall be changed to Paragraph 4 in accordance with the amendment and announcement of the Company Act on August 1, 2018 and the Paragraph cited shall be amended accordingly.</p>
<p>Article 18 The Rules must be stipulated with the approval of the Company’s board of directors and presented in the shareholders’ meeting. If there are any amendments in the future, the board of directors shall be authorized for resolution of the amendments. These Rules are prescribed on April 30, 2016. The first amendment was made on August 13, 2017. <u>The second amendment was made on March 19, 2020.</u></p>	<p>Article 18 The Rules must be stipulated with the approval of the Company’s board of directors and presented in the shareholders’ meeting. If there are any amendments in the future, the board of directors shall be authorized for resolution of the amendments. These Rules are prescribed on April 30, 2016. The first amendment was made on August 13, 2017.</p>	<p>Date of adding and amendment</p>

Attachment 5. Comparison Table for Procedures for Corporate Management and Guidelines for Conduct

SUN MAX TECH LIMITED

The comparison table of partial amendments to the Procedures for Corporate Management and Guidelines for Conduct

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 11 Recusal The directors of the company shall uphold a high degree of self-discipline, and may <u>state their opinions</u> and answer questions for the resolutions proposed by the board of directors, shall not join in the discussion and voting, shall withdraw from the discussion and voting and shall not exercise their voting rights on behalf of other directors, if they have an interest relationship with themselves or the legal person they represent, which may harm the interests of the company. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</u></p> <p>If in the course of conducting company business, any personnel of this Corporation</p>	<p>Article 11 Recusal The directors of the company shall uphold a high degree of self-discipline and may state their opinions and answer questions for the resolutions proposed by the board of directors, shall not join in the discussion and voting, shall withdraw from the discussion and voting and shall not exercise their voting rights on behalf of other directors, if they have an interest relationship with themselves or the legal person they represent, which may harm the interests of the company. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters</p>	<p>1. In accordance with the amendment of Tai-Zheng-Zhi-Li-Zi No. 1090002299, Paragraph 1, Article 16 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies shall be amended as appropriate.</p> <p>2. In cooperation with the amendment and promulgation of Paragraph 3, Article 206 of the Company Act, the Paragraph 2 has been added to stipulates that where any director’ spouse, second level blood relatives, or a company which has a controlling subordinate relationship with a director and has an interest in the matters of the meeting, shall be deemed to have its own interest in the matter.</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	<p>to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	
<p>Article 16 Follow and declare the integrity management policy: <u>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in</p>	<p>Article 16 Announcement of policy of ethical management to outside parties: The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with</p>	<p>1. In accordance with the amendment of Tai-Zen-Chi-Li-Tze No. 1090002299 and Article 8 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," listed and OTC companies should require directors and top management to issue a statement to abide by the integrity management policy and require employees to abide by the integrity management policy in terms of employment</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>respect to ethical management.</p>	<p>conditions. Therefore, Paragraph 1 of this article is added and the title of this article is amended.</p>
<p>Article 23 <u>Internal advocacy, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures</u> The supervisor shall publicize the importance of integrity when new employees report to the company or an important internal meeting is hold. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation. This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p>	<p>Article 23 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures The supervisor shall publicize the importance of integrity when new employees report to the company or an important internal meeting is hold. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation. This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p>	<p>1. According to Tai-Zheng-Zhi-Li-Zi No. 1090002299, the title of this article is amended to meet the nature of internal propaganda of the first Paragraph of this article.</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 24 Implementation and Amendment: These operating procedures and guidelines of conduct shall be implemented upon the resolution of the board of directors and shall be submitted to the shareholders' meeting for report. The same as it is amended. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting. These operating procedures and guidelines of conduct are set out on April 29, 2016. <u>The first amendment was made on March 19, 2020.</u></p>	<p>Article 24 Article 1 Implementation and Amendment: These operating procedures and guidelines of conduct shall be implemented upon the resolution of the board of directors and shall be submitted to the shareholders' meeting for report. The same as it is amended. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting. These operating procedures and guidelines of conduct are set out on April 29, 2016.</p>	<p>Date of adding and amendment</p>



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Independent Auditor's Report

To: SUN MAX TECH LIMITED:

Opinions

We have audited the accompanying consolidated financial statements of SUN MAX TECH LIMITED and its subsidiaries (hereinafter, "SUN MAX Group") which comprise the balance sheets as of December 31, 2019 and 2018 and the related consolidated statements comprehensive of income, changes in shareholders' equity and cash flows for the years then ended and the notes to consolidated financial statement (including a summary of significant accounting policies).

In our opinion, the accompany consolidated financial statements present fairly, in all material respects, the financial position of SUN MAX Group and its subsidiaries as of December 31, 2019 and 2018, 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 Issuer," and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC) and SIC Interpretations*.

Basis for opinions

This accountant conducted the audit work in 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, the letter of the Financial Supervisory Committee Jin-Guan-Zheng-Shen-Zi No. 1090360805 dated February 25, 2020 and the generally accepted auditing standards. In 2018, the audit was carried out in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of SUN MAX Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and with other responsibilities of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China performed. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

The “key audit matters” means that the independent auditor has used their professional judgment to audit the most important matters on the 2019 consolidated financial statements of SUN MAX Group. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters to be performed on the 2019 consolidated financial statements of SUN MAX TECH LIMITED follows:

Recognition of revenue

The operating revenue of the Power Group is mainly from the sales of cooling fans and concentrated in the top ten customers, of which the operating revenue of the top three customers’ accounts for about 57% of the total operating revenue in 2019. In the opinion of the accountant, the company's industry is highly competitive and the management may be under pressure to achieve the expected goals. Therefore, it is judged that the top three customers and the top ten new customers may have higher income recognition risks. Therefore, the existence of the revenue recognition of the top three customers and the top ten new customers in the current year is recognized as a key audit item. Please refer to Note 4(11) for revenue recognition policy.

The audit procedure for potential misstatement risk of revenue recognition is as below:

1. Understand and test the effectiveness of internal control related to sales revenue recognition.
2. Examine whether or not there are any changes among the top ten customers; if there is a new party, not only review its basic information and credit evaluation form, but also test the transaction details to see if there are any anomalies.
3. For the top three customers and the top ten new customers, relevant transaction vouchers shall be checked to confirm the authenticity of sales transactions, the time point of revenue recognition, the sending of letters or the collection after the period, etc.

Evaluation on inventory

The inventory of Group as of December 31, 2019 is 157,408 thousand dollars measured at the lower of cost or net value method. Because the rapid changes in product technology the risks of inventory become inactive or obsolete increase. Thus, the inventory value might be lower than its’ book value and the potential misstatement risk might exist in the consolidated financial statements. Accounting policy, significant accounting judgement, estimate and related information disclosure, please refer to Note 4(6) & 10 of the consolidated financial statements.

The audit procedure for potential misstatement risk of inventory valuation is as below,

1. Understand and test the effectiveness of internal control related to allowance for inventory valuation losses.
2. Select sample from inventory ending balance details, inspect the rationality and consistency of data used for loss allowance on inventory valuation calculation, recalculate the loss allowance on inventory amount and ascertain the inventory is valued at the lower of cost or net value method.
3. Obtain and compare the data of ending inventory quantity and physical inventory count of the year to verify the existence and completeness of inventory per book. Get involved and

observe the fiscal physical inventory count to assess the inventory situation to evaluate the adequacy of loss allowance on inventory valuation loss for obsolete inventory

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

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

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

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of SUN MAX Group.

Auditors' Responsibilities for the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design, and perform audit procedures responsive to risks, and obtain evidence that is sufficient and appropriate to provide a basis of 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 internal control effective in SUN MAX Group.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SUN MAX Group.

and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause SUN MAX Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

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

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of SUN MAX Group of 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Cheng-Hsiu Yang

CPA Wang-Sheng Lin

Financial Supervisory Commission approval
no.

Jin-Guan-Zheng-Fan-Zi No. 0980032818

Financial Supervisory Commission approval no.

Jin-Guan-Zheng-Fan-Zi No. 1060023872

March 19, 2020

SUN MAX TECH LIMITED
SUN MAX TECH LIMITED and its subsidiaries
Consolidated Balance Sheet
December 31, 2019 and 2018

Unit: NTD thousand

Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 453,196	26	\$ 541,407	39
1110	Financial assets at fair value through profit and loss current (Note 4 and 7)	323	-	-	-
1170	Net notes receivable and accounts receivable (Note 4 and 9)	489,336	28	373,392	27
1200	Other receivables	1,507	-	4,880	1
1220	Current income tax asset (Note 4 and 22)	6,677	-	4,508	-
130X	Inventories (Note 4 and 10)	157,408	9	184,874	13
1479	Other current assets (Note 11)	<u>17,420</u>	<u>1</u>	<u>27,657</u>	<u>2</u>
11XX	Total current assets	<u>1,125,867</u>	<u>64</u>	<u>1,136,718</u>	<u>82</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income non-current (Note 4 and 8)	2,288	-	1,640	-
1600	Property, plant and equipment (Note 4, 13 and 26)	301,539	17	212,937	15
1755	Right-of-use assets (Note 3, 4 and 14)	142,796	8	-	-
1780	Intangible asset (Note 4 and 15)	7,201	1	8,667	1
1900	Other non-current assets (Note 11)	<u>181,985</u>	<u>10</u>	<u>26,498</u>	<u>2</u>
15XX	Total non-current assets	<u>635,809</u>	<u>36</u>	<u>249,742</u>	<u>18</u>
1XXX	Total assets	<u>\$ 1,761,676</u>	<u>100</u>	<u>\$ 1,386,460</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2170	Notes and account payables	\$ 166,880	10	\$ 99,572	7
2200	Other payable (Note 17)	150,107	9	124,831	9
2230	Current income tax liabilities (Note 4 and 22)	16,374	1	10,079	1
2280	Leasehold liability- current (Note 3, 4 and 14)	23,322	1	-	-
2320	Current portion of long-term borrowings and bonds payable (Note 16)	36,470	2	6,020	-
2399	Other current liabilities	<u>6,233</u>	<u>-</u>	<u>6,585</u>	<u>1</u>
21XX	Total current liability	<u>399,386</u>	<u>23</u>	<u>247,087</u>	<u>18</u>
	Non-current liabilities				
2530	Corporate bonds payable (Note 18)	90,740	5	-	-
2540	Long-term loan (Note 16 and 26)	39,180	2	33,650	2
2570	Deferred income tax liabilities (Note 4 and 22)	69,720	4	70,292	5
2580	Leasehold liability- non-current (Note 3, 4 and 14)	140,077	8	-	-
2600	Other non-current liabilities	<u>122</u>	<u>-</u>	<u>149,533</u>	<u>11</u>
25XX	Total non-current liability	<u>339,839</u>	<u>19</u>	<u>253,475</u>	<u>18</u>
2XXX	Total liabilities	<u>739,225</u>	<u>42</u>	<u>500,562</u>	<u>36</u>
	Equity Attributable to Owners of the company (Note 4 and 20)				
3100	Common stock capital	275,270	16	237,030	17
3200	Capital surplus	549,048	31	449,000	33
	Retained earnings				
3310	Legal reserve	30,746	2	23,368	1
3320	Special reserve	37,904	2	25,530	2
3350	Unappropriated earnings	<u>216,028</u>	<u>12</u>	<u>204,160</u>	<u>15</u>
3300	Total retained earnings	<u>284,678</u>	<u>16</u>	<u>253,058</u>	<u>18</u>
	Other equity				
3410	Exchange differences on Translating the financial statements of foreign operations	(72,846)	(4)	(38,843)	(3)
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	<u>1,588</u>	<u>-</u>	<u>940</u>	<u>-</u>
3400	Total other equity	<u>(71,258)</u>	<u>(4)</u>	<u>(37,903)</u>	<u>(3)</u>
3500	Treasury shares	<u>(15,287)</u>	<u>(1)</u>	<u>(15,287)</u>	<u>(1)</u>
31XX	Total equity attribute to owners of the company	<u>1,022,451</u>	<u>58</u>	<u>885,898</u>	<u>64</u>
3XXX	Total equity	<u>1,022,451</u>	<u>58</u>	<u>885,898</u>	<u>64</u>
	Total Liabilities and Equity	<u>\$ 1,761,676</u>	<u>100</u>	<u>\$ 1,386,460</u>	<u>100</u>

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

Chairman: HSU Wen-Faung

Manager: HSU Wen-Faung

Accounting Supervisor: Chen Hui-Ling

SUN MAX TECH LIMITED

SUN MAX TECH LIMITED and its subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2019 and 2018

Unit: NTD thousands, except Earnings Per Share (NTD)

Code		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 1,184,812	100	\$ 1,217,595	100
5000	Operating cost (Note 10 and 21)	(870,881)	(73)	(976,718)	(80)
5900	Gross profit	<u>313,931</u>	<u>27</u>	<u>240,877</u>	<u>20</u>
	Operating expenses (Note 21)				
6100	Selling and Marketing expense	(25,960)	(2)	(25,524)	(2)
6200	General and administrative expenses	(114,755)	(10)	(100,512)	(8)
6300	Research and development expenses	(35,949)	(3)	(31,063)	(3)
6000	Total operating expenses	(176,664)	(15)	(157,099)	(13)
6900	Profit from operations	<u>137,267</u>	<u>12</u>	<u>83,778</u>	<u>7</u>
	Non-operating income and expenses (Note 21)				
7010	Other income	14,314	1	4,539	-
7020	Other gains and losses	252	-	20,377	2
7050	Financial cost	(12,946)	(1)	(756)	-
7000	Total non-operating income and expenses	<u>1,620</u>	<u>-</u>	<u>24,160</u>	<u>2</u>
7900	Profit before Income tax	138,887	12	107,938	9
7950	Income tax expense (Note 4 and 22)	<u>49,639</u>	<u>4</u>	<u>34,161</u>	<u>3</u>
8200	Net profit for the year	<u>89,248</u>	<u>8</u>	<u>73,777</u>	<u>6</u>

(Continued on next page)

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Code		2019		2018	
		Amount	%	Amount	%
	Other comprehensive income (Note 4 and 20)				
8310	Titles not reclassified as profit and loss accounts:				
8316	Unrealized valuation gains and losses on Investment in equity instruments at fair value through other comprehensive income	\$ 648	-	\$ 428	-
8360	Titles that could be reclassified as profits and loss accounts in the future				
8361	Exchange differences on Translating the financial statements of foreign operations	(34,003)	(3)	(13,314)	(1)
8300	Total other comprehensive income or loss	(33,355)	(3)	(12,886)	(1)
8500	Total Comprehensive Income for the year	<u>\$ 55,893</u>	<u>5</u>	<u>\$ 60,891</u>	<u>5</u>
	Net profit attributable to:				
8610	Owners of parent	\$ 89,248	8	\$ 73,777	6
8620	Non-controlling interest	-	-	-	-
8600		<u>\$ 89,248</u>	<u>8</u>	<u>\$ 73,777</u>	<u>6</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 55,893	5	\$ 60,891	5
8720	Non-controlling interest	-	-	-	-
8700		<u>\$ 55,893</u>	<u>5</u>	<u>\$ 60,891</u>	<u>5</u>
	Earnings per share (Note 23)				
9710	Basic	<u>\$ 3.44</u>		<u>\$ 3.12</u>	
9810	Diluted	<u>\$ 3.22</u>		<u>\$ 3.11</u>	

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

Chairman: HSU Wen-Faung Manager: HSU Wen-Faung Accounting Supervisor: Chen Hui-Ling

SUN MAX TECH LIMITED
SUN MAX TECH LIMITED and its subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2019 and 2018

Unit: NTD thousand

Code		Share Capital	Capital surplus	Retained earnings			Other equity		Treasury shares	Total equity
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on Translating the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss		
A1	Balance at January 1, 2018	\$ 237,030	\$ 449,000	\$ 14,726	\$ 17,660	\$ 195,634	(\$ 25,529)	\$ -	\$ -	\$ 888,521
A3	Effect of retroactive application and retrospective restatement	-	-	-	-	(1,333)	-	512	-	(821)
A5	Balance at January 1, 2018 after recompilation	237,030	449,000	14,726	17,660	194,301	(25,529)	512	-	887,700
	Appropriation of 2017 earnings									
B1	Legal reserve	-	-	8,642	-	(8,642)	-	-	-	-
B3	Special reserve	-	-	-	7,870	(7,870)	-	-	-	-
B5	Cash dividends	-	-	-	-	(47,406)	-	-	-	(47,406)
D1	Net profit in 2018	-	-	-	-	73,777	-	-	-	73,777
D3	Other comprehensive income in 2018	-	-	-	-	-	(13,314)	428	-	(12,886)
D5	Total Comprehensive profit or loss in 2018	-	-	-	-	73,777	(13,314)	428	-	60,891
L1	Buy-back of ordinary Shares	-	-	-	-	-	-	-	(15,287)	(15,287)
Z1	Balance at December 31, 2018	237,030	449,000	23,368	25,530	204,160	(38,843)	940	(15,287)	885,898
A3	Effect of retroactive application and retrospective restatement	-	-	-	-	(18,668)	-	-	-	(18,668)
A5	Balance at January 1, 2019 after recompilation	237,030	449,000	23,368	25,530	185,492	(38,843)	940	(15,287)	867,230
	Appropriation of 2018 earnings									
B1	Legal reserve	-	-	7,378	-	(7,378)	-	-	-	-
B3	Special reserve	-	-	-	12,374	(12,374)	-	-	-	-
B5	Cash dividends	-	-	-	-	(38,960)	-	-	-	(38,960)
E1	Proceeds from issuance of ordinary shares	25,000	53,550	-	-	-	-	-	-	78,550
N1	Issuance of ordinary shares under employee share options	-	1,600	-	-	-	-	-	-	1,600
C5	Issuance of convertible corporate bonds recognized in the equity component – share options	-	5,814	-	-	-	-	-	-	5,814
I1	Conversion of corporate bonds into common shares	13,240	39,084	-	-	-	-	-	-	52,324
D1	Net profit in 2019	-	-	-	-	89,248	-	-	-	89,248
D3	Other comprehensive income in 2019	-	-	-	-	-	(34,003)	648	-	(33,355)
D5	Total Comprehensive profit or loss in 2019	-	-	-	-	89,248	(34,003)	648	-	55,893
Z1	Balance at December 31, 2019	\$ 275,270	\$ 549,048	\$ 30,746	\$ 37,904	\$ 216,028	(\$ 72,846)	\$ 1,588	(\$ 15,287)	\$ 1,022,451

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

Chairman: HSU Wen-Faung

Manager: HSU Wen-Faung

Accounting Supervisor: Chen Hui-Ling

SUN MAX TECH LIMITED
SUN MAX TECH LIMITED and its subsidiaries
Consolidated Statements of Cash Flow
January 1 to December 31, 2019 and 2018

Code		2019	2018
			Unit: NTD thousand
	Cash flow from operating activities		
A10000	Income before income tax	\$ 138,887	\$ 107,938
A20010	Adjustments for:		
A20100	Depreciation expenses	52,493	23,351
A20200	Amortization expenses	3,229	2,863
A20300	Expected credit impairment loss (reversal gain)	(689)	966
A20400	Net gain (loss) on financial assets and liabilities at fair value through profit and loss	(1,060)	-
A20900	Financial cost	12,946	756
A21200	Interest revenue	(12,299)	(4,017)
A21300	Dividend income	(207)	(239)
A21900	Compensation cost of employee share option	1,600	-
A22500	(Gain) loss on disposal of property, plant and equipment	6	(12)
A23700	Write-downs of inventories and loss of idle inventory	12,007	4,776
A29900	Reversal of provision	(46)	(35)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	381	673
A31150	Accounts receivable	(115,592)	247,009
A31180	Other receivables	3,330	(1,653)
A31200	Inventories	15,459	(25,587)
A31240	Other current assets	10,237	(338)
A32150	Accounts payable	67,308	(131,698)
A32180	Other payables	25,242	(61,201)
A32230	Other current liabilities	(389)	(726)
A32990	Other non-current liabilities	(2,260)	627
A33000	Cash generated form operations	210,583	163,453
A33100	Interest received	12,342	3,787
A33200	Dividends received	207	239
A33300	Interest paid	(646)	(768)
A33500	Income tax paid	(42,996)	(51,689)
AAAA	Net cash inflow generated from operating activities	<u>179,490</u>	<u>115,022</u>

(Continued on next page)

(Continued from previous page)

Code		2019	2018
	Cash payments for investing activities		
B02700	Purchase of property, plant, and equipment	(\$ 121,444)	(\$ 39,776)
B02800	Proceeds from disposition of real property, plants, and equipment	26	38
B03800	Decrease in Refundable deposits	1,680	287
B04500	Payments for Intangible assets	(1,934)	(3,628)
B07100	Decrease (increase) in prepayments for equipment	(138,452)	292
B07300	Increase in pre-payments of land	(<u>19,308</u>)	-
BBBB	Net cash used in from investing activities	(<u>279,432</u>)	(<u>42,787</u>)
	Cash flow from financing activities		
C01600	Proceeds from Long-term borrowings	42,000	-
C01700	Repayments of proceeds from long-term loans	(6,020)	(13,440)
C04020	Payment of principal element of lease liabilities	(32,557)	-
C04300	Convertible bond	-	148,700
C04500	Cash dividend paid	(38,960)	(47,406)
C04600	Proceeds from issuance of ordinary shares	78,550	-
C04900	Payments for buy-back of ordinary shares	<u>-</u>	(<u>15,287</u>)
CCCC	Net cash generated from financing activities	<u>43,013</u>	<u>72,567</u>
DDDD	Effects of exchange rate changes on the balance of Cash held in foreign currencies	(<u>31,282</u>)	(<u>11,640</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(88,211)	133,162
E00100	Cash and cash equivalents at the beginning of the year	<u>541,407</u>	<u>408,245</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 453,196</u>	<u>\$ 541,407</u>

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

Chairman: HSU Wen-Faug

Manager: HSU Wen-Faug

Accounting Supervisor: Chen Hui-Ling

Attachment 7. Comparison Table of amendments to the Articles of Incorporation

SUN MAX TECH LIMITED

Comparison Table of amendments to the Articles of Incorporation

章程 條次	現行條文-英文	修正條文-英文	變更說明
Cover			
	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF SUN MAX TECH LIMITED Incorporated on November 28, 2013 (Adopted by Special Resolution passed on June 12, 2019)	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF SUN MAX TECH LIMITED Incorporated on November 28, 2013 (Adopted by Special Resolution passed on June 19, 2020)	Update the date of special resolution adopted by the shareholders' meeting.
Memorandum			
	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF SUN MAX TECH LIMITED (Adopted by Special Resolution passed on June 12, 2019)	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF SUN MAX TECH LIMITED (Adopted by Special Resolution passed on June 19, 2020)	Update the date of special resolution adopted by the shareholders' meeting.
Articles of Association			
	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES	THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES	Update the date of special resolution adopted by the

章程 條次	現行條文-英文	修正條文-英文	變更說明
	<p style="text-align: center;">AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF SUN MAX TECH LIMITED</p> <p>(Adopted by Special Resolution passed on June 12, 2019)</p>	<p style="text-align: center;">AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF SUN MAX TECH LIMITED</p> <p>(Adopted by Special Resolution passed on June 19, 2020)</p>	shareholders' meeting.
1	(New definition)	<u>"Acquisition" refers to an act wherein a company acquiring shares, business or assets of another company in exchange for shares, cash or other assets;</u>	Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No1080023568) dated December 25, 2019.
12	The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.	<u>Subject to Article 12A,</u> the Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.	Revised to accommodate the amendment of Article 12A.
12A	(New article)	<u>If a subscriber fails to pay any call or instalment of call with respect of any Shares on the day appointment for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued, within a period of not less than 1 month from the date of the notice given by the Directors. The notice shall name a further day (not earlier than the expiration of aforesaid one month or longer period from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which</u>	Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No1080023568) dated December 25, 2019.

章程 條次	現行條文-英文	修正條文-英文	變更說明
		<p><u>the call was made will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a determination of the Directors to that effect. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting Shareholder.</u></p>	
32	<p>The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:</p> <p>(a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p>	<p>The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:</p> <p>(a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(b) transfer the whole or any material part of its business or assets other than the</p>	<p>Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No1080023568)</p>

章程 條次	現行條文-英文	修正條文-英文	變更說明
	<p>(b) transfer the whole or any material part of its business or assets other than the transfer under the provision 2 of this Article;</p> <p>(c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules other than a Spin-off under the provision 2 of this Article;</p> <p>(e) grant waiver to the Director's engaging in any business within the scope of the Company's business;</p> <p>(f) issue restricted shares for employees pursuant to Article 17B; <u>and</u></p> <p>(g) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubt, the allotment of bonus shares in connection with the Employees' Remuneration and Directors' Remuneration pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B.</p>	<p>transfer under the provision 2 of this Article;</p> <p>(c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules other than a Spin-off under the provision 2 of this Article;</p> <p>(e) grant waiver to the Director's engaging in any business within the scope of the Company's business;</p> <p>(f) issue restricted shares for employees pursuant to Article 17B;</p> <p>(g) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubt, the allotment of bonus shares in connection with the Employees' Remuneration and Directors' Remuneration pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B; <u>and</u></p> <p>(h) <u>share swap</u>.</p>	<p>dated December 25, 2019.</p>
34	<p>Subject to the Applicable Listing Rules, in the event any of the resolutions with respect to the provision 1 (a), (b), or (c) of Article 32 or provision 2 (b), or (c) of Article 32 is adopted by general meeting, any Shareholder who has expressed his objection, in writing or verbally with a record before or during the meeting and waived his voting right may request the Company to purchase all of his Shares at</p>	<p>Subject to the Applicable Listing Rules, in the event any of the resolutions with respect to the provision 1 (a), (b), or (c) of Article 32 or provision 2 (b), or (c) of Article 32 is adopted by general meeting, any Shareholder who has expressed his objection, in writing or verbally with a record before or during the meeting and waived his voting right may request the Company to purchase all of his Shares at</p>	<p>Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No1080023568)</p>

章程 條次	現行條文-英文	修正條文-英文	變更說明
	<p>the then prevailing fair price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Company shall apply to any competent court of Taiwan for a ruling on the appraisal price against all the dissenting Shareholders as the opposing party within thirty (30) days after that duration, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.</p> <p>Subject to the Applicable Listing Rules, in the event any part of the Company's business is Spun Off or involved in any Merger with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Company shall apply to any competent court of Taiwan for a ruling on the appraisal price against all the dissenting Shareholders as the opposing party within thirty (30) days after that duration, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the</p>	<p>the then prevailing fair price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Company shall apply to any competent court of Taiwan for a ruling on the appraisal price against all the dissenting Shareholders as the opposing party within thirty (30) days after that duration, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.</p> <p>Subject to the Applicable Listing Rules, in the event any part of the Company's business is Spun Off or involved in any Merger, <u>Acquisition or share swap</u> with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares <u>in writing</u> at the then prevailing fair price within twenty (20) days after the date of the resolution <u>and specifies the price of the Shares to be repurchased.</u></p> <p><u>For the purpose of this Article 34, if the Company and any Shareholder reach an agreement about the price of the Shares to be repurchased by the Company, the Company shall pay for such agreed purchase price of Shares to be repurchased within ninety (90) days from the date of passing of the resolution by general meeting. In case no agreement as to the purchase price is reached, the Company shall pay the fair price as determined by the Company to such Shareholder within ninety (90) days from the date on which the</u></p>	<p>dated December 25, 2019.</p>

章程 條次	現行條文-英文	修正條文-英文	變更說明
	<p><u>Company and requested Shareholder solely with respect to the appraisal price.</u></p>	<p><u>resolution was adopted. If the Company fails to pay the agreed purchase price, the Company shall be deemed to agree to the price as requested by the Shareholder.</u></p> <p><u>For the Shareholder who requests the Company to purchase all of his Shares in accordance with the second paragraph, in the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date on which the resolution was adopted, the Company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within thirty (30) days after such sixty-day period, and Taiwan Taipei District Court has the jurisdiction.</u></p>	
107	<p>A Director who directly or indirectly has personal interest in the matter proposed at the meeting of the Board, including but not limited to a contract or proposed contract or arrangement with the Company shall disclose the nature of his or her personal interest at the meeting of the Board, if he or she knows his or her personal interest then exists, or in any other case at the first meeting of the Board after he or she knows that he or she is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:</p> <p>(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or</p> <p>(b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with</p>	<p>A Director who directly or indirectly has personal interest in the matter proposed at the meeting of the Board, including but not limited to a contract or proposed contract or arrangement with the Company shall disclose the nature of his or her personal interest at the meeting of the Board, if he or she knows his or her personal interest then exists, or in any other case at the first meeting of the Board after he or she knows that he or she is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:</p> <p>(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or</p> <p>(b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;</p>	<p>Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No1080023568) dated December 25, 2019.</p>

章程 條次	現行條文-英文	修正條文-英文	變更說明
	<p>a specified person who is connected with him;</p> <p>shall be deemed to be a sufficient disclosure of personal interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p> <p>To the extent required by Applicable Listing Rules, a Director may not vote for himself or on behalf of other Director in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director bears a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company, but such Director shall be counted in the quorum for purposes of convening such meeting.</p> <p>Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting.</p> <p>In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidary relationship with the Director has personal interest in a matter on</p>	<p>shall be deemed to be a sufficient disclosure of personal interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p> <p>To the extent required by Applicable Listing Rules, a Director may not vote for himself or on behalf of other Director in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director bears a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company, but such Director shall be counted in the quorum for purposes of convening such meeting.</p> <p>Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting; <u>before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that the relevant resolution shall be approved or dissented.</u></p>	

章程 條次	現行條文-英文	修正條文-英文	變更說明
	agenda for the Board meeting, such Director shall be deemed to have personal interest in that matter.	In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidiary relationship with the Director has personal interest in a matter on agenda for the Board meeting, such Director shall be deemed to have personal interest in that matter.	
119A	(New Article)	<p><u>Before the Company holds a meeting of the Board of Directors to adopt any resolution of Merger, Acquisition, Spin-off or share swap, the Audit Committee shall seek opinion from an independent expert in order to review the fairness and reasonableness of the plan and transaction of the Merger, Acquisition, Spin-off or share swap, including but not limited to the justification of share swap ratio or a distribution by cash or otherwise, and the review result shall be submitted to the Board of Directors and Shareholders in the general meeting (provided, however, that if the Law does not require the Shareholders' approval on the said transactions, the expert opinion and review result do not have to be submitted to the general meeting); and the review result and the expert opinion shall be provided to the Shareholders together with the notice of general meeting. If the Law does not require the Shareholders' approval on the said transactions, the Board of Directors shall report the transactions in the general meeting following the transactions.</u></p> <p><u>For the documents to be given to the Shareholders in the preceding paragraph, if the Company announces the same content as in those documents on a website designated by the Taiwan competent authorities and those documents are prepared at the venue of the general meeting for Shareholders' review, those documents shall be deemed as having been given to Shareholders.</u></p>	Pursuant to the requirement of amended Articles of Association Checklist announced by the Taiwan Stock Exchange (Tai-Jeng-Shang II - No108002356 8) dated December 25, 2019.

Attachment 8. Corresponding Table for Amendment to Procedures of Lending of Funds

SUN MAX TECH LIMITED

Corresponding Table for Amendment to Part of Procedures of Lending of Funds

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 8 Controls of Lending of Funds by Subsidiaries</p> <p>I. The Company’s subsidiaries shall follow this Operating Procedure when processing the lending of funds.</p> <p>II. Amount limit of lending of funds by subsidiaries</p> <p>1. The total amount loaned by the subsidiary shall not exceed forty percent of the net worth in that subsidiary’s latest financial statements.</p> <p>2. If the loan is made to a company or firm based on a business relationship, the total loaned amount shall not exceed twenty percent of the net worth in the subsidiary’s latest financial statements; each individual loan shall not exceed the total transaction amount between the parties in the most recent year. The</p>	<p>Article 8 Controls of Lending of Funds by Subsidiaries</p> <p>I. The Company’s subsidiaries shall follow this Operating Procedure when processing the lending of funds.</p> <p>II. Amount limit of lending of funds by subsidiaries:</p> <p>1. The total amount loaned by the subsidiary shall not exceed forty percent of the net worth in that subsidiary’s latest financial statements.</p> <p>2. If the loan is made to a company or firm based on a business relationship, the total loaned amount shall not exceed twenty percent of the net worth in the subsidiary’s latest financial statements; each individual loan shall not exceed the total transaction amount between the parties in the most recent year. The</p>	<p>1. According to Subparagraph 4, Article 3 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Paragraph 3, Article 8 is added to engage in loan of funds between foreign subsidiaries that is 100% of voting shares, directly or indirectly, hold by the company, or foreign companies that is 100% of voting shares, directly or indirectly, hold by the company engage in loan of funds to the company. The loan period, extension times and</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>transaction amount shall mean the purchasing amount, or the sales amount, whichever is higher.</p> <p>3. If the loan is made to a company or firm, where short-term financing is necessary, the total loaned amount shall not exceed twenty percent of the net worth in the subsidiary's latest financial statements; each individual loan shall not exceed ten percent of the net worth in the subsidiary's latest financial statements. Such "net worth" is determined according to the latest financial statement audited or reviewed by a certified public accountant.</p> <p>4. The lending of funds between the subsidiary and its parent company where the parent company directly or indirectly holds one hundred percent of the voting shares is not restricted by the limits stated in Article 8, Paragraph 2, Subparagraph 1-3; however, the total loaned amount, and the loan per borrower shall not exceed forty percent of the net worth in the subsidiary's latest financial statements.</p>	<p>transaction amount shall mean the purchasing amount, or the sales amount, whichever is higher.</p> <p>3. If the loan is made to a company or firm, where short-term financing is necessary, the total loaned amount shall not exceed twenty percent of the net worth in the subsidiary's latest financial statements; each individual loan shall not exceed ten percent of the net worth in the subsidiary's latest financial statements. Such "net worth" is determined according to the latest financial statement audited or reviewed by a certified public accountant.</p> <p>4. The lending of funds between the subsidiary and its parent company where the parent company directly or indirectly holds one hundred percent of the voting shares is not restricted by the limits stated in Article 8, Paragraph 2, Subparagraph 1-3; however, the total loaned amount, and the loan per borrower shall not exceed forty percent of the net worth in the subsidiary's latest financial statements.</p> <p>III. Repayment Methods:</p>	<p>each extension period when engaging in fund loan have been revised.</p> <p>2. Paragraph 3 to 6 of this article shall be extended to Paragraph 4 to 7.</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p><u>III. When engaging in capital loan in accordance with the provisions of Subparagraph 5, Paragraph 1, Article 5 of the procedures, the financing period shall not exceed three years or three business cycles (whichever is the longer) and may be extended upon maturity. The number of extensions shall be limited to five, and each extension period shall not exceed three years.</u></p> <p>IV. Repayment Methods: If a foreign subsidiary of which the Company directly or indirectly holds one hundred percent of the voting shares is unable to repay the loan made by the Company, and requests to extend the term, it shall make such request thirty business days before the expiration date, and report to the Board of Directors for approval. The Company may dispose of the collateral or recover from the named guarantor for any breach of commitment.</p> <p>V. The subsidiary shall prepare and submit the Book of Lending of Funds of the previous month to the Company no later than the 5th day of each month so that the Company can</p>	<p>If a foreign subsidiary of which the Company directly or indirectly holds one hundred percent of the voting shares is unable to repay the loan made by the Company, and requests to extend the term, it shall make such request thirty business days before the expiration date, and report to the Board of Directors for approval. The Company may dispose of the collateral or recover from the named guarantor for any breach of commitment.</p> <p>IV. The subsidiary shall prepare and submit the Book of Lending of Funds of the previous month to the Company no later than the 5th day of each month so that the Company can complete the announcement and filing at the same time.</p> <p>V. The internal auditors of the subsidiary shall audit the lending of funds according to the “Procedures of Lending of Funds” of the parent company at least once every quarter, and document the results. Any material violation shall be immediately reported to the Company in writing. The Company’s audit unit shall submit the documented materials to the audit committee.</p>	

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>complete the announcement and filing at the same time.</p> <p>VI. The internal auditors of the subsidiary shall audit the lending of funds according to the “Procedures of Lending of Funds” of the parent company at least once every quarter, and document the results. Any material violation shall be immediately reported to the Company in writing. The Company’s audit unit shall submit the documented materials to the audit committee.</p> <p>VII. The Company’s auditors shall examine the implementation of the Procedures of Lending of Funds by the subsidiary during the onsite audit visit according to the annual audit plan. Any deficiency shall be followed up for improvement. The follow-up report shall be submitted to the Chairman.</p>	<p>VI. The Company’s auditors shall examine the implementation of the Procedures of Lending of Funds by the subsidiary during the onsite audit visit according to the annual audit plan. Any deficiency shall be followed up for improvement. The follow-up report shall be submitted to the Chairman.</p>	
<p>Article 11 Implementation and Amendment</p> <p>The Procedures were enforced on June 5, 2015 upon the consent of the shareholders’ meeting.</p> <p>The first amendment was made on June 28, 2017.</p>	<p>Article 11 Implementation and Amendment</p> <p>The Procedures were enforced on June 5, 2015 upon the consent of the shareholders’ meeting.</p> <p>The first amendment was made on June 28, 2017.</p>	<p>Date of adding and amendment</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>The second amendment was made on June 22, 2018.</p> <p>The three amendment was made on June 12, 2019.</p> <p><u>The four amendment was made on June 19, 2020.</u></p>	<p>The second amendment was made on June 22, 2018.</p> <p>The three amendment was made on June 12, 2019.</p>	

Attachment 9. Comparison Table of amendments to the Rules of Procedure for Shareholders Meetings

SUN MAX TECH LIMITED

Comparison Table of amendments to the Rules of Procedure for Shareholders Meetings

Clauses after the amendment	Existing clauses	Remark
<p>Article 2 Paragraph 1, 2, 3 omitted.</p> <p>The appointment or removal of directors, audit committee, change of articles of association, <u>capital reduction, application for suspension of public issuance, director's business license, surplus to capital increase, reserve to capital increase,</u> dissolution, merger, division of the company, or the Items in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed and <u>explained in the reasons</u> for convening the meeting. It shall not be filed on a temporary motion. <u>Its main contents may be placed on the website designated by the securities authority or the company, and its website shall be specified in the notice.</u></p> <p><u>The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and supervisors, and the date of appointment. After the re-election of the shareholders' meeting is completed, the date of appointment shall not be changed by temporary motion</u></p>	<p>Article 2 Paragraph 1, 2, 3 omitted.</p> <p>The election or dismissal of directors, audit committee, amendments to the Company Corporate Charter (Articles of Incorporation), dissolution, merger, division or the clauses of Paragraph 1, Article 185 of the Company Act, the matters stated in Article 26-1 and Article 43-6 of Securities and Exchange Act shall be stated in the reasons for convening the meeting not in the motion.</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation. Tai-Zheng-Zhi-Li-Zi No. 10800242211 announcement dated January 2, 2020.</p> <p>In line with the amendment to Paragraph 5, Article 172 of the Company Act, Paragraph 4 shall be amended.</p> <p>The Paragraph 5 of this Article has been added in cooperation with the Letter of Jin-Shang-Zi No. 10702417500 dated August 6, 2018.</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>or other means at the same meeting.</u></p> <p>Shareholders who have over 1% shareholdings in the Company's total number of shares issued may propose to the Company convene the Annual Meeting of Shareholders. But it is limited to one proposal and the additional proposals will not be included in the meeting agenda. <u>A shareholder proposal proposed for urging a 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.</u> In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, <u>correspondence or electronic means</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Omitted hereinafter.</p>	<p>Shareholders who have over 1% shareholdings in the Company's total number of shares issued may propose to the Company in writing to convene the Annual Meeting of Shareholders. But it is limited to one proposal and the additional proposals will not be included in the meeting agenda. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Omitted hereinafter.</p>	<p>To amend the relevant text in accordance with Paragraph 1 of Article 172-1 and Paragraph 5 of the newly amended Company Act.</p> <p>In line with the amendment of the Paragraph 2, Article 172-1 of the Company Act.</p>
Article 9	Article 9	Amended in accordance with Taiwan Stock

Clauses after the amendment	Existing clauses	Remark
<p>If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board. <u>Relevant motions (including temporary motions and amendments to the original motion) shall be decided by vote on a case by case basis.</u> The meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.</p> <p>Paragraph 2~3 omitted.</p> <p>The Chairman must give the proposal or the amendment and motion proposed by the shareholders an opportunity to be explained and discussed sufficiently until it is ready for balloting and then stop the discussion for balloting <u>and put the voting forward and arrange adequate voting time.</u></p>	<p>If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.</p> <p>Paragraph 2~3 omitted.</p> <p>The Chairman must give the proposal or the amendment and motion proposed by the shareholders an opportunity to be explained and discussed sufficiently until it is ready for balloting and then stop the discussion for balloting.</p>	<p>Exchange Corporation. Tai-Zheng-Zhi-Li-Zi No. 10800242211 announcement dated January 2, 2020.</p> <p>The first paragraph was amended in line with the comprehensive adoption of electronic voting by listed and OTC companies since 2018 and the implementation of the voting by poll.</p> <p>In order to prevent the convener of the shareholders' meeting from excessively limiting the voting time of shareholders and thus affecting the shareholders' exercise of voting rights due to the delay in voting, the Paragraph 4 is amended.</p>
<p>Article 12</p> <p>Paragraph 1 omitted.</p> <p>When this Corporation 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. Shareholders who have</p>	<p>Article 12</p> <p>Paragraph 1 omitted.</p> <p><u>Voting rights may be exercised in writing or using the electronic method (pursuant to Paragraph 1, Article 177-1 of the Company Act: the Company allows shareholders to exercise voting rights in writing or through the electronic method during shareholder meetings.)</u> Instructions for exercising voting rights in writing or through the</p>	<p>In line with the comprehensive adoption of electronic voting by listed and OTC companies since 2018, Paragraph 2 is amended.</p>

Clauses after the amendment	Existing clauses	Remark
<p>their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.</p> <p>Omitted hereinafter.</p>	<p>electronic method shall be stated clearly in writing on the meeting advice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; <u>therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.</u></p> <p>Omitted hereinafter.</p>	
<p>Article 14</p> <p>Paragraph 1, 2 omitted.</p> <p>The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the Chairman, the resolution method, meeting procedure and <u>voting results (including the statistical weight).</u> <u>When there is an election of directors, the number of votes obtained by each candidate shall be disclosed</u> and shall be permanently reserved throughout the duration of the Company.</p>	<p>Article 14</p> <p>Paragraph 1, 2 omitted.</p> <p>The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the Chairman, the resolution method, meeting procedure and the results, and shall be permanently reserved throughout the duration of the Company.</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation. Tai-Zheng-Zhi-Li-Zi No. 10800242211 announcement dated January 2, 2020.</p> <p>To implement the case by case voting spirit, refer to the third amendment of the Asian Association of corporate governance.</p>
<p>Article 19</p> <p>These Rules are prescribed on April 30, 2016.</p> <p><u>The first amendment was made on June 19, 2020.</u></p>	<p>Article 19</p> <p>These Rules are prescribed on April 30, 2016.</p>	<p>Add the implementation and time of the new amendment.</p>

Attachment 10. Comparison Table of amendments to the Procedures for Election of Directors

SUN MAX TECH LIMITED

The comparison table of partial amendments to the Procedures for Election of Directors

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 5</p> <p><u>Within the scope of execution of business, an independent director of the company shall maintain independence, and may not have any direct or indirect interest relationship with the company.</u> During the two years before being elected or during the term of office, an independent director of the company may not have been or be any of the following:</p> <ol style="list-style-type: none"> 1. An employee of the company or any of its affiliates. 2. A director or supervisor of the company or any of its affiliates. 3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a <u>managerial officer under Subparagraph</u> 	<p>Article 5</p> <p>During the two years before being elected or during the term of office, an independent director of the company may not have been or be any of the following:</p> <ol style="list-style-type: none"> 1. An employee of the company or any of its affiliates. 2. A director or supervisor of the company or any of its affiliates. <u>Except for the independent directors that are appointed by the Company or the parent company and subsidiaries in accordance with this Law or the local law.</u> 3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of the persons in the preceding three 	<p>Amended in accordance with the announcement of the Financial Supervisory Committee issued on January 15, 2020 (Jin-Guan-Zheng-Fa-Zi No. 10803619346).</p> <ol style="list-style-type: none"> 1. According to Paragraph 2, Article 14-2 of the Securities and Exchange Act, independent directors shall maintain their independence in the scope of their business and shall not have any direct or indirect interest in the company. Therefore, the preamble in Paragraph 1 shall be established so that independent directors can provide neutral and objective opinions of the board of directors and the independence conditions to be met shall be specified in items of Paragraph 1.

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p><u>1 or any of the persons in the preceding two subparagraphs.</u></p> <p>5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a <u>director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</u></p> <p>6. <u>If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</u></p> <p>7. <u>If the chairman, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.</u></p> <p>8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution</p>	<p>Subparagraphs.</p> <p>5. A director, supervisor, or employee of the company's corporate shareholder holding more than 5% of the company's outstanding capital; or a director, supervisor, or employee to any of the top 5 corporate shareholders.</p> <p>6. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>7. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company. This restriction does not apply to a member of the remuneration, public tender offer review, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>The requirement of preceding paragraph in relation to "during the two years before being elected" does not apply where an independent director of a public</p>	<p>2. Considering the independence of independent directors, the Subparagraph 1 of the Paragraph 1 has stipulated that independent directors shall not be employed by the company or its affiliates in the two years before and during their tenure of office. In order to take into account the independence and flexibility for practical operations of independent directors, taking reference to the regulations of the United States, the United Kingdom, Hong Kong and Singapore, Subparagraph 4, Paragraph 1 is amended. Subparagraph 1, Paragraph 1 states clearly that the spouse, second relatives or third relatives of immediate blood relatives, etc. may not serve as independent directors, limited to the circumstances in which the employee is a manager.</p> <p>3. According to the current provisions, an independent director shall not be a director or supervisor of the company in the</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the <u>provider in the past 2 years has received cumulative compensation exceeding NT\$500,000</u>, or a spouse. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p><u>Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.</u></p> <p>The requirement of paragraph 1 in relation to "during the two years before being elected" does not apply where an independent director of a public company has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 8 of paragraph 1, but is currently no longer in that position.</p>	<p>company has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in Subparagraph 2 or 6 of preceding paragraph, but is currently no longer in that position.</p> <p>The term "specified company or institution" as used in Paragraph 1, Subparagraph 6, means a company or institution that has one of the following relationships with the company:</p> <ol style="list-style-type: none"> 1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company. 2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of, and there is a record of financial or business transactions between it and the company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names. 3. It and its group companies are the source of 30 percent or more of the operating revenue of the company. 4. It and its group companies are the source of 50 	<p>two years before and during his term of office. Based on the provisions of Paragraphs 1 and 2 of Article 27 of the Company Act, a corporate shareholder may be elected as a director or supervisor and appoint a representative to perform his duties, and a corporate shareholder may be elected as a director or supervisor by his representative. Considering that the shareholding of the corporate shareholder is less than 5% or the top five, but when the corporate shareholder appoints a representative as a director or supervisor of the company, the director, supervisor or employee of the corporate shareholder still has certain interests, which affects the independence of the corporate shareholder, whose director, supervisor or employee is an independent director of the company. Therefore, Subparagraph 5, Paragraph 1 is added to designate a representative as a director or</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>The term "specified company or institution" as used in paragraph 1, subparagraph 8, means a company or institution that has one of the following relationships with the company:</p> <ol style="list-style-type: none"> 1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company. 2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the public company, and there is a record of financial or business transactions between it and the public company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names. 3. It and its group companies are the source of 30 percent or more of the operating revenue of the company. 4. It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal 	<p>percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the company</p> <p>For the purposes of Paragraph 1 and preceding paragraph, the terms "parent", "subsidiary", and "group" shall have the meanings as determined under International Financial Reporting Standards 10.</p>	<p>supervisor of the company in accordance with Paragraph 1 or Paragraph 2, Article 27, of the Company Act, stipulates that no director, supervisor or employee shall be an independent director of the company.</p> <ol style="list-style-type: none"> 4. Although other companies controlled by the same person (including legal persons or natural persons) and companies are not controlled and subordinate to each other as defined in "affiliated enterprises" of the Company Act, if the relevant personnel of the other company act as an independent director of the company, they still have certain interests, which may affect their independence. Therefore, another company under the control of the same person as specified in Subparagraph 6, Paragraph 1 that the director, supervisor or employee shall not be an independent director of the company.

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>products (those accounting for 30 percent or more of total operating revenue) of the company</p> <p>For the purposes of paragraphs 1, <u>2</u>, the terms "parent", "subsidiary", and "group" shall have the meanings as determined under International Financial Reporting Standards 10.</p> <p><u>The term "affiliate" in paragraphs 1 and 3 means an affiliated enterprise under Chapter VI-1 of the Company Act, or a company for which consolidated financial reports are required to be prepared under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises or under International Financial Reporting Standard 10.</u></p>		<p>5. If the chairman or general manager of the company and other companies or institutions are the same person or spouse, their relationship is relatively close. If the directors (directors), supervisors (supervisors) or employees of such other companies or institutions are independent directors, they still have certain interests that affect their independence. Therefore, the relevant specifications specified in Subparagraph 7, Paragraph 1 is added. And the Subparagraph 6 and 7 of the Paragraph 1 shall be changed to the Subparagraphs 8 and 9.</p> <p>6. In order to clearly regulate the independence of independent directors, we refer to the American standard that independent directors shall not provide audit services for companies or their affiliated enterprises. In addition, as the United States and Singapore set significant standards for non-audit services, it is stated in</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
		<p>Subparagraph 9, Paragraph 1 that independent directors shall not provide audit related services (such as financial report audit, review, second review, financial forecast audit, tax visa and special audit) for companies or related enterprises. As for the provision of non-audit related services such as business, legal affairs, finance and accounting, the major standards shall be set. Considering that the annual salary of more than half of the independent directors in Taiwan is less than NT\$500,000, the independence period of the current norms shall include the first two years of their employment, and there shall be no violation of the independence norms (cooling off period in foreign countries), in order to avoid circumvention, the materiality standard is defined as the cumulative amount of more than NT \$500,000 in two years, taking into account the flexibility of practical operation. In view of</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
		<p>the fact that consultation is also one of the ways to provide services, the term is deleted and adjusted as appropriate.</p> <p>7. Based on the fact that both the parent company and the subsidiary company must be included in the preparation of the consolidated financial statements of the parent company, which can be regarded as the same economic entity, and for the need of the parent company for the overall management of the enterprise group, the <i>proviso</i> of the current Subparagraph 2, Paragraph 1 has relaxed that the independent directors of the parent company and the subsidiary company may concurrently serve each other. Considering that the enterprise group controlled by the same parent company still has corporate directors and the supervisor is controlled by the same legal person or has certain shareholding relationship, with reference to the provisions of the</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
		<p>proviso to the Subparagraph 2 of the current Paragraph 1, the Subparagraph 5 to 7, Paragraph 1 shall be relaxed. The independent directors of the company and its parent company, subsidiaries or subsidiaries of the same parent company may concurrently serve each other. In addition, in order to simplify the normative structure of the provisions, the <i>proviso</i> to the current Subparagraph 2, Paragraph 1 shall be deleted and the relevant specifications specified in the Paragraph 2 shall be added, Paragraphs 3 to 5 are changed from Paragraphs 2 to 4. In addition, if a particular company under Subparagraph 8, Paragraph 1, belongs to the shareholding relationship under Subparagraph 1, Paragraph 4, the interpretation also includes the parent subsidiary company, so it shall be relaxed in Paragraph 2 with reference to the provisions of the proviso to Subparagraph 2, Paragraph 1.</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
		<p>8. In view of the fact that there is no clear definition of affiliated enterprises as referred to in these measures, Paragraph 6 is added to specify the scope of affiliated enterprises, including affiliated enterprises in Chapter 6-1 of the Company Act, or companies that should prepare consolidated financial statements in accordance with the consolidated business report of affiliated enterprises, the preparation standards for consolidated financial statements and relational statements of affiliated enterprises, and the International Financial Reporting Standard No. 10.</p>
<p>Article 7</p> <p>The election of independent directors should be handled in accordance with the candidate nomination system set forth in Article 192-1 of the Company Act, and shall be stated in the articles of incorporation. Shareholders shall elect independent directors from among the nominees listed in the roster of independent director candidates.</p>	<p>Article 7</p> <p>The election of independent directors should be handled in accordance with the candidate nomination system set forth in Article 192-1 of the Company Act, and shall be stated in the articles of incorporation. Shareholders shall elect independent directors from among the nominees listed in the roster of independent director candidates.</p>	<p>Amended in accordance with the announcement of the Financial Supervisory Committee issued on January 15, 2020 (Jin-Guan-Zheng-Fa-Zi No. 10803619346).</p> <p>Considering the requirements of independent director's professional</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.</p> <p>The company may present a slate of independent director candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections:</p> <ol style="list-style-type: none"> 1. A shareholder holding one percent or more of the total number of issued shares may present a slate of independent director candidates in writing to the company; the number of nominees may not exceed the number of independent directors to be elected. 2. The board of directors presents a slate of independent director candidates; the number of nominees may not exceed the number of independent directors to be elected. 3. Otherwise as designated by the competent authority. <p>When providing a recommended slate of independent director candidates under the preceding paragraph, a shareholder <u>or</u> the board of directors shall <u>specify</u> each</p>	<p>The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.</p> <p>The company may present a slate of independent director candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections:</p> <ol style="list-style-type: none"> 1. A shareholder holding one percent or more of the total number of issued shares may present a slate of independent director candidates in writing to the company; the number of nominees may not exceed the number of independent directors to be elected. 2. The board of directors presents a slate of independent director candidates; the number of nominees may not exceed the number of independent directors to be elected. 3. Otherwise as designated by the competent authority. <p>When providing the recommendation list in accordance with the preceding paragraph, the shareholders and the board of directors shall attach</p>	<p>qualification and independence, when the board of shareholders and the board of directors provide the list of recommended independent directors, they shall attach the documents such as the nominees' professional qualification in Paragraph 1 of Article 2, independence in Article 3 and part-time restriction in Article 4. The aforesaid documents of independence and part-time restriction, such as the statement of compliance with the independence and part-time regulations. In addition, Article 192-1 of the Company Act was amended and promulgated on August 1, 2018 to simplify the procedure of nominating directors. Therefore, the "attachment" in Paragraph 4 amended to "description," which only needs to state the name, educational background and experience of the nominee and delete the documents such as the letter of commitment of the candidate to be an independent director after the election and the statement of no circumstances specified in Article 30 of the Company Act Regulations.</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>nominee's name, educational background, <u>and work experience, and submit therewith documentation that the nominees meet the requirements of</u> Article 2, Paragraph 1, and the preceding two articles, and other documentary proof.</p> <p>When calling a shareholders' meeting for the purpose of independent director elections, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each independent director nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of independent director candidates:</p> <ol style="list-style-type: none"> 1. The nomination was made outside of the announced acceptance period. 2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, Paragraph 2 or 3 of the Company Act. 3. Where the number of nominees exceeds the number of independent directors to be elected. 4. Where the relevant documentary proof required under the preceding paragraph is not attached. <p>If an independent director candidate included by the company under the provisions of the preceding paragraph has already served as an independent</p>	<p>the name, education background, experience of the nominees, the letter of commitment to be an independent director after election, the statement of absence of any circumstance specified in Article 30 of the Company Act and other relevant supporting documents.</p> <p>When calling a shareholders' meeting for the purpose of independent director elections, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each independent director nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of independent director candidates:</p> <ol style="list-style-type: none"> 1. The nomination was made outside of the announced acceptance period. 2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, Paragraph 2 or 3 of the Company Act. 3. Where the number of nominees exceeds the number of independent directors to be elected. 4. Where the relevant documentary proof required under the preceding paragraph is not attached. <p>If an independent director candidate included by the company under the provisions of the preceding</p>	

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>director of the public company for three consecutive terms or more, the company shall publicly disclose, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting.</p> <p>If the company has established an audit committee under the Act, at least one of its independent directors is required to have accounting or financial expertise.</p>	<p>paragraph has already served as an independent director of the public company for three consecutive terms or more, the company shall publicly disclose, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting.</p> <p>If the company has established an audit committee under the Act, at least one of its independent directors is required to have accounting or financial expertise.</p>	
<p>Article 8</p> <p>If an independent director is elected by the shareholders' meeting, he/she shall not change his/her status as a non-independent director in case of his/her ex officio dismissal due to violation of Article 4 or Article 5 of the regulations during his/her term of office. A person elected by the shareholders' meeting as a non-independent director shall not be transferred to an independent director during his term of office.</p>	<p>Article 8</p> <p>If an independent director is elected by the shareholders' meeting, his/her status shall not be changed to be a non-independent director if he/she should be removed due to violation of Article 4 or Article 5 of the regulations during his/her term of office. A person elected by the shareholders' meeting as a non-independent director shall not be transferred to an independent director during his term of office.</p>	<p>Amended in accordance with the announcement of the Financial Supervisory Committee issued on January 15, 2020 (Jin-Guan-Zheng-Fa-Zi No. 10803619346).</p> <p>In case of any violations to Article 2 or Article 3 during the term of office of an independent director, the independent director shall be removed automatically in accordance with Paragraph 4, Article 14-2 of the Securities and Exchange Act. Therefore, the term "shall be dismissed" in the original provision shall be amended to "dismissed maturely."</p>

Clauses after the amendment	Existing clauses	Explanation to the amendments
<p>Article 19</p> <p>These Rules are prescribed on April 30, 2016.</p> <p>The first amendment was made on August 13, 2017.</p> <p><u>The second amendment was made on June 19, 2020.</u></p>	<p>Article 19</p> <p>These Rules are prescribed on April 30, 2016.</p> <p>The first amendment was made on August 13, 2017.</p>	

IV. Appendix

Appendix 1. Rules of Procedure for Shareholder Meetings

SUN MAX TECH LIMITED

Rules of Procedure for Shareholder Meetings

Article 1 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).

Article 2 The Company's meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

The Company's meeting of shareholders shall be convened by the Board, unless otherwise provided by law. The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the MOPS 30 days prior to the annual meeting of shareholders or fifteen days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the MOPS 21 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. Physical copies of the shareholder meeting manual and supplementary information also need to be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents shall be placed within the Company's premises and at the share administration agency, and distributed on-site during the shareholder meeting.

The reasons for convening the meeting should be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

The election or dismissal of directors, audit committee, amendments to the Company Corporate Charter (Articles of Incorporation), dissolution, merger, division or the clauses of Paragraph 1, Article 185 of the Company Act, the matters stated in Article 26-1 and Article 43-6 of Securities and Exchange Act shall be stated in the reasons for convening the meeting not in the motion.

Shareholders who have over 1% shareholdings in the Company's total number of shares issued may propose to the Company in writing to convene the Annual Meeting of Shareholders. But it is limited to one proposal and the additional proposals will not be included in the meeting agenda. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder

proposals may not be less than 10 days.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 3 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 4 The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

Article 5 The Company shall have the admission time, admission place, and other related matters set forth in the notice of meeting. The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it.

Shareholders and representatives thereof (collectively referred to as shareholders) shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers shall be reminded to bring identity proof for verification.

The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.

The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 6 If the meeting of shareholders is convened by the Board, the Chairman of the Board is to chair the meeting. If the Chairman is on leave or is unable to exercise his/her powers for certain reasons, the Vice Chairman is to chair the meeting. If a Vice Chairman is not appointed or the Vice Chairman is also on leave or is unable to perform his duties for certain reasons, the Chairman is to appoint one of the general directors to chair the meeting. If a general director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the Chairman, one of the general directors or directors should be elected among the board members to chair the meeting.

The chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than six months and understands the Company's financial and business performance. The rule referred to above does apply if the chairman is a representative of the legal director.

The Chairman shall personally preside the Shareholders' meeting that is convened by the Board of Directors; also, a majority of the Board of Directors and at least one member of each functional committee should attend the meeting with the attendance recorded in the minutes of meeting.

If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 7 The Company shall have the admission of the shareholders, the meeting in session, and the voting and vote counting process recorded and filmed uninterruptedly.

The audio and video data referred to above should be reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 8 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The Chairman shall call the meeting to order at the meeting time. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the Chairman may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total.

If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairman may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairman may have the

pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 9 If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

In either of the two arrangements described above, the chairperson shall not dismiss the meeting while an agenda (including special motions) is still in progress. If the chairperson violates conference rules by dismissing the meeting when not allowed to do so, other members of the board shall immediately assist the attending shareholders in electing another chairperson with the support of more than half of voting rights represented and continue the meeting.

The Chairman must give the proposal or the amendment and motion proposed by the shareholders an opportunity to be explained and discussed sufficiently until it is ready for balloting and then stop the discussion for balloting.

Article 10 Shareholders who wish to speak during the meeting shall produce an opinion slip detailing the topic and shareholder account number (or conference pass serial number). The order of shareholders' comments shall be determined by the chairperson.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairman. However, the Chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The Chairman may reply to the speaking shareholders personally or by the designated personnel.

Article 11 Resolutions of the meeting of shareholders should be based on their shareholdings.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented in the meeting.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 12 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

Voting rights may be exercised in writing or using the electronic method (pursuant to Paragraph 1, Article 177-1 of the Company Act: the Company allows shareholders to exercise voting rights in writing or through the electronic method during shareholder meetings.) Instructions for exercising voting rights in writing or through the electronic method shall be stated clearly in writing on the meeting advice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting, and the ballots will be casted on a case-by-case basis. The result of the votes of approval, objection, or waiver casted by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the shareholders' meeting.

When there is an amendment or alternative for the same motion, the Chairman shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairman is to appoint the scrutineers and counting officers who must be shareholders.

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

Article 13 The election of a director, if any, at the shareholders' meeting shall be conducted according to the Company's election procedures, and the result shall be announced right after, including the elected directors and supervisors, and the votes casted.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 14 The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.

A public company may post the meeting minutes on the Market Observation Post System to distribute the minutes of the foregoing paragraph.

The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the Chairman, the resolution method, meeting procedure and the results, and shall be permanently reserved throughout the duration of the Company.

Article 15 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting.

If the resolutions reached in the shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall within the prescribed time have the material information uploaded to the MOPS.

Article 16 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the Chairman may stop shareholders who do not use the speaking device provided by the Company from speaking.

The Chairman may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 17 The Chairman may announce the meeting in recess. The Chairman may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.

If the meeting place cannot be used continuously before the proposals (including motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 18 These rules will be implemented after being approved in the shareholders' meeting, same as the amendment.

Article 19 These Rules are prescribed on April 30, 2016.

Appendix 3. Full text of Articles of Incorporation (before amendment)

Appendix 4. Shareholding of All Directors

- As of the trading halt date 21.04.2020 for this shareholders' meeting, the Company's total paid-in capital is NT\$ 281,922,290, and the total number of outstanding shares is 28,192,229.

Unit: shares

Title	Name	Number of Shares Held	Ratio of Shareholding
Chairman	Taishin Custodian Investment Account of Hsin Ting Holding Limited	5,977,844	21.20%
	HSU Wen-Faung	960,273	3.41%
Director	LAI, Jen-Chung	390,337	1.38%
Director	LIN, Chun-Yen	135,912	0.48%
Director	LI, Yung-Yi	66,576	0.24%
Independent director	HSlEH, Yu-Tien	-	-
Independent director	CHEN, Tien-Szu	-	-
Independent director	CHIU, Shih-Fang	-	-
Total Shares		7,530,942	

Remarks

- Article 26 of the Securities and Exchange Act does not apply to the Company.
- The Company has established the audit committee. The shareholding of supervisors does not apply.

Appendix 5. Influence on the company business performance, EPS, and shareholder ROI by the proposal of stock grant in this shareholders' meeting

The Company has no stock dividend distribution planned; therefore, it is not applicable.

Appendix 6. Information about the proposal of shareholders holding more than 1% of the total issued shares of the company:

According to the provisions of Article 172-1 of the Company Act, the proposal of shareholders to be accepted by announcement shall be accepted by the company (address: 6F-2, No. 16, Jian 8th Road, Zhonghe District, New Taipei City). The acceptance period is from April 10, 2020 to April 21, 2020.

Shareholders holding more than 1% of the total issued shares can put forward the proposal of shareholders' regular meeting to the company in written form.

The Board of Directors may exclude the proposals proposed by the shareholders from the agenda in any of the following situations:

- (1) The proposal cannot be resolved by a shareholders' meeting.
- (2) The shareholder proposing the proposal does not hold at least one percent of the total outstanding shares on the trading halt date.
- (3) The proposal was proposed outside of the announced acceptance period.
- (4) Where the proposal exceeds 300 words or there is more than one proposal as stated in the *proviso* in Paragraph 1.

During the previous opening period, there was no shareholder proposal to hold 1% of the total issued shares of the company.