



Stock Code: 6591

SUN MAX TECH LIMITED

Handbook for the 2020 Annual Meeting of Shareholders

MEETING TIME: 9:00 a.m. on June 19 (FRIDAY), 2020

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

Notice to readers

This English-version Handbook for the 2020 Annual Meeting of Shareholders is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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I. Meeting Procedures

SUN MAX TECH LIMITED 2020 Annual General Meeting Procedures

1. Call the meeting to order
2. Chairperson Remarks
3. Company Reports
4. Proposals
5. Discussions
6. Other matters
7. Questions and Motions
8. Adjournment

II. Meeting Agenda

SUN MAX TECH LIMITED

The 2020 Annual Meeting of Shareholders Agenda

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)

- I. Report the number of shares represented by the attending shareholders and call the Meeting to order
- II. Chairperson Remarks
- III. Company Reports:
 1. The 2019 Business Reports.
 2. 2019 Audit Committee' Review Report.
 3. The 2019 distribution of remuneration to employees and directors.
 4. Shares repurchased by The Company.
 5. Report on the Status of Issuing the 1st Unsecured Convertible Bond in R.O.C.
 6. Amendment to the "Rules of Procedure for Board of Directors Meetings".
 7. Amendment to the "Procedures for Corporate Management and Guidelines for Conduct".
- IV. Proposals:
 1. 2019 Business Report and financial statements.
 2. 2019 earnings distribution.
- V. Discussions:
 1. Amendments to the "Articles of Incorporation".
 2. Amendment to the "Operational procedures for loaning funds to others".
 3. Amendment to the "Rules of Procedure for Shareholder Meetings".
 4. Amendment to the "Procedures for Election of Directors".
- VI. Other matters:
 1. Motion of cancelling the non-compete restriction on the directors.
- VII. Questions and Motions
- VIII. Adjournment

Company Reports

No. 1:

Subject: Presenting the 2019 Business Report

Notes: The 2019 Business Report is on page 11~12 (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 page 13 (Attachment 2) of the Handbook.

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.

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 page 14 (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

Period No.	The 1st time
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.

5. 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
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

Bond type		The 1st Unsecured Convertible Bond in R.O.C.
		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 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 p.15-16 (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 p.17-18 (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 p.11-12 (Attachment 1) and p.19-28 (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.

Resolutions:

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 p.14 (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.

Resolutions:

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 p.29-43 (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.

Resolutions:

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 page 44 to page 46 of [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.

Resolutions:

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 p.47-49 (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.

Resolutions:

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 p.50-56 (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.

Resolutions:

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-Faung	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

Resolutions:

Questions and Motions

Adjournment

III. 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. <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> 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. 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. 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	(<u>176,664</u>)	(<u>15</u>)	(<u>157,099</u>)	(<u>13</u>)
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>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-Faung

Manager: HSU Wen-Faung

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			
	<p>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)</p>	<p>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)</p>	<p>Update the date of special resolution adopted by the shareholders' meeting.</p>
Memorandum			
	<p>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)</p>	<p>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)</p>	<p>Update the date of special resolution adopted by the shareholders' meeting.</p>
Articles of Association			
	<p>THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES</p>	<p>THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY SHARES</p>	<p>Update the date of special resolution adopted by the</p>

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</p> <p>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</p> <p>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 2. Full text of Articles of Incorporation (before amendment)

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 OF ASSOCIATION

OF

SUN MAX TECH LIMITED

(Adopted by Special Resolution passed on June 12, 2019)

1. The name of the Company is SUN MAX TECH LIMITED (the "**Company**").
2. The registered office of the Company will be situated at the offices of Portcullis (Cayman) Ltd, The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted.

The Company have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law of the Cayman Islands (as amended) (the "**Law**").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is **NT\$ 1,000,000,000** divided into **100,000,000** Common Shares of a nominal or par value of **NT\$ 10** each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

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THE COMPANIES LAW (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

SUN MAX TECH LIMITED

(Adopted by Special Resolution passed on June 12, 2019)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to SUN MAX TECH LIMITED (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Affiliated Company**" means with respect to any affiliated company as defined in the Applicable Listing Rules;

"**Applicable Listing Rules**" means the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Taiwan Company Act, Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Taipei Exchange or the Taiwan Stock Exchange;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Audit Committee**" means the audit committee of the Company formed by the Board pursuant to Article 118 hereof, or any successor audit committee;

"**Book-Entry Transfer**" means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall be recorded in the entry sub-account under the Company's account with the securities central depository in Taiwan;

"**Capital Reserves**" means the share premium account, income from endowments received by the Company, capital redemption reserve, profit and loss account and other reserves generated in accordance with generally accepted accounting principles.

"**Chairman**" has the meaning given thereto in Article 82;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Commission**" means Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;

"**Common Share**" means a common share in the capital of the Company of NT\$10 nominal or par value issued subject to and in accordance with the provisions of the Law and these Articles, and having the rights and being subject to restrictions as provided for under these Articles with respect to such Share;

"**Constituent Company**" means an existing company that is participating in a Merger with one (1) or more other existing companies within the meaning of the Law;

"**Directors**" and "**Board of Directors**" and "**Board**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**electronic**" shall have the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"**electronic communication**" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;

"**Emerging Market**" means the emerging market board of Taipei Exchange in Taiwan;

"**Family Relationship within Second Degree of Kinship**" in respect of a natural person, means another natural person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include but not limited to the parents, siblings, grandparents, children and grandchildren of the first person as well as the first person's spouse's parents, siblings and grandparents;

"**Guidelines Governing Election of Directors**" means guidelines governing election of Directors of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"**Indemnified Person**" has the meaning given thereto in Article 152;

"**Independent Director**" means a director who is an independent director as defined in the Applicable Listing Rules;

"**Law**" means the Companies Law of the Cayman Islands (as amended);

"**Legal Reserves**" the legal reserve allocated in accordance with the Applicable Listing Rules;

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time;

"**Merger**" means the merging of two (2) or more Constituent Companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as the Surviving Company within the meaning of the Law;

"**MOEA**" means Ministry of Economic Affairs of Taiwan being administering the Company Act of Taiwan and relevant corporate matters in Taiwan;

"**Office**" means the registered office of the Company as required by the Law;

"**Ordinary Resolution**" means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general

meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

"paid up" means paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;

"Person" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

"preferred Shares" has the meaning given thereto in Article 10;

"Procedural Rules of Board Meetings" means procedural rules of the Board meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Procedural Rules of General Meetings" means procedural rules of the general meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Register" or **"Register of Members"** means the register of Members of the Company required to be kept pursuant to the Law;

"Republic of China" or **"Taiwan"** means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"Retained Earnings" means the sums including but not limited to the Legal Reserves, Special Reserves, and unappropriated earnings;

"Rules of Audit Committee" means rules of Audit Committee of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Seal" means the common seal of the Company (if adopted) including any facsimile thereof;

"Secretary" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"Share" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"Shareholder" or **"Member"** means a Person who is registered as the holder of Shares in the Register;

"Share Premium Account" means the share premium account established in accordance with these Articles and the Law;

"Shareholders' Service Agent" means the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

"signed" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

"Special Reserves" means the reserve allocated from Retained Earnings in accordance with the Applicable Listing Rules, or resolutions of shareholders meetings;

"Special Resolution" means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds (2/3) of such

Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

"Spin-off" refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;

"Supermajority Resolution Type A" means a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than half of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than two-thirds (2/3) of all issued Shares of the Company;

"Supermajority Resolution Type B" means where the Shareholders attending the general meeting are holding less than two-thirds (2/3) of all issued Shares of the Company entitled to vote thereon as required under the Supermajority Resolution Type A, a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than half of all issued Shares of the Company;

"Surviving Company" means the sole remaining Constituent Company into which one (1) or more other Constituent Companies are merged within the meaning of the Law;

"Taipei Exchange" means the Taipei Exchange in Taiwan;

"Treasury Shares" means Shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and not cancelled, in accordance with these Articles, the Law and the Applicable Listing Rules; and

"TSE" means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
- (e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and
- (f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one (1) and partly another.

3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.
5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Board of Directors shall keep, or cause to be kept, the Register which may be kept in or outside the Cayman Islands at such place as the Board of Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :
 - (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by the Directors.
10. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company ("**preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:
 - (a) number of preferred Shares issued by the Company and the number of preferred Shares the Company is authorized to issue;
 - (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on preferred Shares;
 - (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;

- (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;
 - (e) other matters concerning rights and obligations incidental to preferred Shares; and
 - (f) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.
11. Subject to these Articles and the Applicable Listing Rules, the issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.
12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
13. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, upon each issuance of new Shares, the Directors may reserve not more than fifteen percent (15%) of the new shares for subscription by the employees of the Company and/or any Subsidiaries of the Company who are determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
14. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided herein, in the Applicable Listing Rules or resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Shares, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 13 (if any) and Article 16 respectively, first offer such remaining new Shares by public announcement and a written notice to each then Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The public announcement and written notice shall state that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one (1) or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public offering or for subscription by specific person or persons through negotiation.
15. The Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
- (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
 - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares.
16. For so long as the Shares are registered in the Emerging Market, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company may allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for

the Company to conduct the aforementioned public offering. For so long as the Shares are listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned ten percent (10%) is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, the Company shall obtain a prior approval of the Commission and/or other competent authorities for any capital increase (ie., issue of new Shares) (whether inside Taiwan or outside Taiwan) in accordance with the Applicable Listing Rules.

17. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors, adopt one (1) or more employee incentive programmes (such as employee stock option plan) pursuant to which options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and/or any Subsidiaries of the Company to subscribe for Shares. The options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
- 17B. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company may, with the authority of either a Supermajority Resolution Type A or a Supermajority Resolution Type B, issue restricted shares for employees. In respect of the issuance of restricted shares for employees in the preceding paragraph, the number of shares to be issued, issue price, issue conditions and other matters shall be subject to the Applicable Listing Rules and the requirements of the Commission.

PRIVATE PLACEMENT

- 17C. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company may by a resolution passed by at least two-thirds (2/3) of votes cast by Shareholders present at the general meeting with a quorum of more than half of the total number of the issued Shares at the general meeting carry out private placement of its securities to the following entities in Taiwan:
 - (a) banking enterprises, bill enterprises, trust enterprises, insurance enterprises, securities enterprises or any other legal entities or institutions approved by the Commission;
 - (b) individuals, legal entities or funds meeting the qualifications established by the Commission; and
 - (c) Directors, supervisors (if any) and managers of the Company or the Affiliated Companies.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, a private placement of ordinary corporate bonds may be carried out in instalments within one (1) year of the date of the relevant resolution of the Board of Directors approving such private placement.

MODIFICATION OF RIGHTS

18. Whenever the capital of the Company is divided into different Classes (such as the Common Shares and the preferred Shares), the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class) only be materially

adversely varied or abrogated (including but not limited to the circumstances where there is any amendment to these Articles which may be prejudicial to the rights of the holders of any preferred Shares) by: (i) a Special Resolution passed at a general meeting of holders of Common Shares; and (ii) a Special Resolution passed at a separate meeting of the holders of Shares of the relevant Class (such as the preferred Shares).

To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one (1) or more Persons at least holding or representing by proxy one-half (1/2) of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one (1) vote for each Share of the Class held by him.

19. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

CERTIFICATES

20. The Company shall deliver Shares to the subscribers of new Shares by Book-Entry Transfer within thirty (30) days from the date the Shares may be issued pursuant to the Applicable Listing Rules and make public announcement prior to the delivery. So long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Company may issue the Shares in scriptless form provided that the Company shall register with the securities central depository in Taiwan. No Person shall be entitled to a certificate for any or all of his/her Shares, unless the Directors shall determine otherwise.

FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

TRANSFER OF SHARES

22. Title to Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be evidenced and transferred in accordance with the Applicable Listing Rules. Subject to the Applicable Listing Rules, the Law and Article 40E, Shares issued by the Company shall be freely transferable, provided that any Shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not more than two (2) years as the Directors may agree with such employees.

Subject to the Law and notwithstanding anything to the contrary in these Articles, Shares that are listed or admitted to trading on an approved stock exchange (as defined in the Law, including the Taipei Exchange and the TSE), may be evidenced and transferred in accordance with the rules and regulations of such exchange.

23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve or the form required by the Taipei Exchange or TSE (for so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE) and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other

evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares. The Register of Members maintained by the Company in respect of the Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be kept by recording the particulars required under the Law in a form otherwise than legible provided such recording otherwise complies with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules. To the extent the Register of Members is kept in a form otherwise than legible it must be capable of being reproduced in a legible form.

24. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one (1) class of Shares;
 - (c) the instrument of transfer is properly stamped, if required; or
 - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four (4).

Notwithstanding the above, the Board may not unreasonably decline to register any transfer of any Shares. This Article is not applicable during the period that the Shares are registered in the Emerging Market or listed in Taipei Exchange or TSE.

25. The registration of transfers may be suspended when the Register is closed in accordance with Article 41.
26. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

TRANSMISSION OF SHARES

27. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.
28. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, but the Directors shall, in either case, have the same right to decline or suspend registration, and for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, decline or suspend registration in accordance with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules, as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
29. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided however, that the Directors

may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with. Notwithstanding the above, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Directors shall comply with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules.

VOTING ON RESOLUTION

30. The Company may from time to time by Special Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

The Company may from time to time by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
- (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
- (c) subdivide its existing Shares, or any of them into Shares of a smaller amount; and
- (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

31. The Company may also by Special Resolution:

- (a) change its name;
- (b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law; and
- (c) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law other than a Merger under the provision 2 of Article 32.

32. The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:

- (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;
- (b) transfer the whole or any material part of its business or assets other than the transfer under the provision 2 of this Article;
- (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;
- (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;
- (e) grant waiver to the Director's engaging in any business within the scope of the Company's business;
- (f) issue restricted shares for employees pursuant to Article 17B; and
- (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.

The Company may also by a resolution passed by not less than two-thirds of votes cast by such Shareholders representing the total number of issued Shares at a general meeting:

- (a) participate in a merger in accordance with the Applicable Listing Rules in which the Company is dissolved and the trading of Shares on the stock exchange is terminated thereafter while the surviving or newly incorporated company is not listed on TSE or Taipei Exchange;
 - (b) carry on a general transfer or transfer its business or assets in accordance with the Applicable Listing Rules in which the trading of Shares on the stock exchange is terminated thereafter and the transferee company is not listed on TSE or Taipei Exchange;
 - (c) conduct a share exchange in accordance with the Applicable Listing Rules in which the trading of Shares on the stock exchange is terminated thereafter and the surviving or newly incorporated company is not listed on TSE or Taipei Exchange;
 - (d) conduct a spin-off in accordance with the Applicable Listing Rules in which the trading of Shares on the stock exchange is terminated thereafter and the transferee company is not listed on TSE or Taipei Exchange.
33. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;
- (a) either a Supermajority Resolution Type A or a Supermajority Resolution Type B, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
 - (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 0(a) above.
34. 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 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.

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 Company and requested Shareholder solely with respect to the appraisal price.

REDEMPTION AND PURCHASE OF SHARES

35. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.
36. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
37. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Subject to these Articles, every share certificate representing a redeemable share shall indicate that the share is redeemable.
38. Subject to the Applicable Listing Rules and Articles 38B and 39B, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share in the Company (including a redeemable share) by agreement with the Shareholder or pursuant to the terms of the issue of the share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules and the Ordinary Resolution authorizing the manner and terms of purchase.
- 38B. Subject to the Applicable Listing Rules, upon approval of a majority of Directors present at a Board meeting attended by two-thirds (2/3) of all Directors or more, the Company may repurchase its outstanding Shares listed on the Taipei Exchange or TSE. The resolutions of Board of Directors in the preceding paragraph and how such resolutions are implemented shall be reported to the Shareholders at the next general meeting. If the Company fails to accomplish the repurchase of its outstanding Shares listed on the Taipei Exchange or TSE as approved and anticipated by the resolutions of the Board of Directors, it shall be reported to the Shareholders at the next general meeting.
39. The redemption price or repurchase price may be paid in any manner authorised by the Law and these Articles. A delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 39B. The Shares may only be cancelled in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor with the sanction of either the Supermajority Resolution Type A or the Supermajority Resolution Type B. The number of Shares to be repurchased and cancelled pursuant to a repurchase of Shares described in the preceding paragraph shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

The amount payable to the Shareholders in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). The assets to be delivered and the amount of such substitutive share capital in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor shall be approved by either the Supermajority Resolution Type A or the Supermajority Resolution Type B and shall be subject to consent by the Shareholder receiving such assets. Prior to such general meeting, the Board of Directors shall have the value of assets to be delivered and the amount of such substitutive share capital in respect of repurchase of the Shares (as described in the preceding paragraph) be audited and certified by a certified public accountant in Taiwan.

TREASURY SHARES

40. No share may be redeemed unless it is fully paid-up. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company,

be immediately cancelled or held as Treasury Shares in accordance with the Law and Applicable Listing Rules. If the Board of Directors does not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

- 40B. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of Treasury Shares.
- 40C. The Company shall be entered into the Register as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law, save that, subject to the Applicable Listing Rules and the Law, an allotment of Shares as fully paid bonus shares in respect of a Treasury Shares is permitted and Shares allotted as fully paid bonus shares in respect of a Treasury Shares shall be treated as Treasury Shares.
- 40D. Subject to Article 40E and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If the Treasury Shares having been repurchased by the Company is for the purpose of the transfer to employees under the Applicable Listing Rules, such employees may undertake to the Company to refrain from transferring such Shares during certain period with a maximum of two (2) years.
- 40E. Subject to the Applicable Listing Rules, the transfer of Treasury Shares to its employees by the Company at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company shall be approved at the next general meeting by a resolution passed by at least two-thirds (2/3) of votes of Shareholders attending the meeting with a quorum of more than half of the total issued Shares. The following matters shall be listed in the reasons for convening this general meeting and in no event shall such matters be proposed at the general meeting as ad hoc motions:
- (a) transfer price determined, discount rate, calculation basis and fairness;
 - (b) number of Treasury Shares to be transferred, purpose and fairness;
 - (c) criteria of eligible employees and number of Treasury Shares that may be subscribed for; and
 - (d) impact on shareholders' rights: (i) the amount to be booked as expense of the Company and dilution of earnings per Share; and (ii) description of the Company's financial burden arising from the transfer of Treasury Shares to employees at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company.

The accumulated number of Treasury Shares that have been transferred to employees as so approved at each general meetings shall not exceed five (5%) of the total issued Shares of the Company, and the accumulated number of Treasury Shares transferred to a single employee shall not exceed zero point five percent (0.5%) of the total issued Shares.

CLOSING REGISTER OR FIXING RECORD DATE

41. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are

entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Register shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days inclusive of the date of each annual general meeting, each extraordinary general meeting and the record date for a dividend distribution, respectively.

42. Apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a general meeting and for the purpose of determining those Members that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 42 in respect of convening a general meeting, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the Taipei Exchange or TSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

43. All general meetings other than annual general meetings shall be called extraordinary general meetings.
44. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year and shall specify the meeting as such in the notices calling it.
45. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, all general meetings shall be held in Taiwan, if a general meeting is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 46, the relevant Shareholders, shall apply for the approval of the Taipei Exchange or the TSE.
46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding three percent (3%) or more of the total number of issued Shares of the Company for a period of one (1) consecutive year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the objects of the meeting, and if the Board does not duly proceed to convene such meeting for a date not later than 15 days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the requisitionists themselves may convene the extraordinary general meeting in the same manner as provided for under Article 48, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.
47. If at any time there are no Directors, any Shareholder or Shareholders holding three percent (3%) or more of the total number of the issued Shares of the Company for a period of one (1) consecutive year or a longer time may, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

48. At least twenty (20) and ten (10) days' notices in writing shall be given for any annual and extraordinary general meetings, respectively; provided however for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, at least thirty (30) and fifteen (15) days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. Notwithstanding the foregoing paragraph, as long as the

Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, for any annual and extraordinary general meetings, the written notice may be made by way of public announcement to the Shareholders holding less than 1,000 Shares.

Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.

- 48B. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company shall make public announcements with regard to notice of general meeting, proxy form, and summary information and details about issues for recognition, discussion, election or dismissal of Directors or supervisors (if any) at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.

If the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 67, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.

49. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Board shall prepare a manual setting out the agenda of a general meeting (including all the subjects and matters to be resolved at the meeting) and shall make public announcement(s) in a manner permitted by the Applicable Listing Rules to disclose the contents of such manual together with other information related to the said meeting at least twenty-one (21) days prior to the date of annual general meetings and at least fifteen (15) days prior to the date of extraordinary general meetings. Such manual shall be distributed to all Shareholders attending the general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at the general meeting.

50. The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEX or the Company with the address of website indicated in the notice:

- (a) election or discharge of Directors or supervisors (if any);
- (b) amendments to the Memorandum of Association and/or these Articles;
- (c) reduction in share capital of the Company;
- (d) application for de-registration as a public company;
- (e) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;
- (f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (g) the transfer of the whole or any material part of its business or assets;
- (h) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (i) the private placement of equity-linked securities;
- (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;

- (k) distribution of part or all of its dividends or bonus by way of issuance of new Shares;
- (l) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;
- (m) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them; and
- (n) the transfer of Treasury Shares to its employees by the Company.

Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 51. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
- 52. One or more Shareholders holding in the aggregate of one percent (1%) or more of the total number of issued Shares immediately prior to the relevant book close period may propose in writing or by way of electronic transmission to the Company a matter for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by the Applicable Listing Rules at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. Any Shareholder(s) whose proposal has been submitted and accepted by the Board, shall continue to be entitled to attend the annual general meeting in person or by proxy or in the case of a corporation, by its authorised representative(s), and participate in the discussion of such proposal.

The Board shall accept a proposal submitted by one or more Shareholders and arrange for the proposal to be discussed at the annual general meeting unless (i) the number of Shares held by such one or more Shareholders is less than one percent (1%) in aggregate of the total number of issued Shares in the Register of Members as of the record date determined by the Board or upon commencement of the period for which the Register shall be closed before the general meeting; (ii) the proposal involves matters which cannot be resolved at the annual general meeting in accordance with or under the Law or Applicable Listing Rules; (iii) the proposal submitted concerns more than one matter; (iv) the proposal submitted exceeds three hundred words; or (v) the proposal is not submitted within the specified period determined by the Board; provided, however, that if the proposal submitted is to urge the Company to facilitate the public interest or perform social responsibility, the Board may accept that proposal and arrange for it being discussed at the annual general meeting. The Company shall, prior to the dispatch of a notice of the annual general meeting, inform the Shareholders the result of submission of proposals and list in the notice of annual general meeting the proposals accepted for consideration and approval at the annual general meeting. The Board shall explain at the annual general meeting the reasons for excluding proposals submitted by such Shareholder(s).

- 53. Subject to the Applicable Listing Rules, the Chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of Directors. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves a chairman for such meeting.

- 53A. Any one or more Shareholders holding in aggregate more than half of the total number of the issued Shares of the Company for at least three (3) consecutive months may convene an extraordinary general meeting. The determination of the afore-mentioned holding period and number of Shares shall be based on the Shares held immediately prior to the relevant book close period.
54. Subject to the Applicable Listing Rules, for a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.
- 54A. The Board of Directors or any person who is entitled to convene a general meeting pursuant to Article 53A above or under these Articles may demand the Company or its Shareholders' Service Agent to provide the Register of Members.
55. Subject to the Applicable Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
56. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting shall be passed by an Ordinary Resolution.
57. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.

VOTES OF SHAREHOLDERS

58. Subject to these Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder by proxy shall have one (1) vote for each Share of which he or the Person represented by proxy is the holder. Subject to the Law and unless otherwise provided for in these Articles, any resolutions at a general meeting of the Company shall be adopted by an Ordinary Resolution.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, any Shareholder holding Shares on behalf of one or more Persons (each a "**Beneficial Owner**") may exercise his/her voting rights severally in accordance with the request(s) of such Beneficial Owner. The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

59. No vote may be exercised by any Shareholder with respect to any of the following Shares:
- (a) the Treasury Shares held by the Company in accordance with the Law, these Articles and the Applicable Listing Rules;
 - (b) the Shares held by any subordinate company of the Company as defined in the Applicable Listing Rules, where the total number of voting shares or total shares equity held by the Company in such a subordinated company represents more than one-half (1/2) of the total number of voting shares or the total shares equity of such a subordinated company; or
 - (c) the Shares held by another company, where the Company and its subordinated company directly or indirectly hold more than one-half (1/2) of the total number of the voting shares or total shares equity of such company.

Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the total number of issued shares while calculating the quorum for the purpose of Article 51.

60. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, guardian or any other Person who is similar to guardian and appointed by any court having jurisdiction, may vote by proxy.
62. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing an instrument in usual or common form or such other form as the Directors may approve, and such proxy form shall be prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one (1) such proxy form and appoint one (1) proxy for each general meeting, and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two (2) or more written proxies from one (1) Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.
- 62B. After a proxy is delivered to the Company, if the Shareholder issuing the proxy intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, the Shareholder shall issue a written notice to the Company to revoke the proxy at least two (2) days prior to the general meeting. If the revocation is not made during the prescribed period, the votes casted by the person as proxy shall prevail.
63. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice by mail or electronic transmission for the relevant general meeting. Notwithstanding any other provisions of these Articles, the distribution of the notice and proxy materials shall be made to all Shareholders and such distribution, regardless of delivering by email or by electronic transmission, shall be made on the same day.
64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
65. Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or the chairman appointed pursuant to Article 68, when a person who acts as the proxy for two (2) or more Shareholders concurrently, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of votes in excess of the said three percent (3%) represented by such proxy shall not be counted.
66. To the extent required by the Applicable Listing Rules, any Shareholder who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed (the "**Proposed Matters**") for consideration and approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, but all such Shares shall be counted in the quorum for the purpose of Article 51 notwithstanding that such Shareholder should not exercise his voting right. Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the number of votes of Shareholders present at the general meeting for the resolution relating to the Proposed Matters by the Company.

67. Subject to the Applicable Listing Rules, the Company must allow the voting at the general meeting be exercised by way of electronic transmission as one of the voting methods at the general meeting as well as casting the votes in writing, that the method for exercising the votes shall be described in the notice of the general meeting. If the Board resolves to hold a general meeting outside Taiwan, the Company must allow the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission.
68. A Shareholder who exercises his votes in writing or by way of electronic transmission as set forth in the preceding article shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.

For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the Taipei Exchange or the TSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).

69. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 67 to the Company at least two (2) days prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 by the first written ballot or electronic transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
70. In case a Shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 shall prevail.
- If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 68 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.
71. In case the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, for revocation of such resolution.

PROXY AND PROXY SOLICITATION

72. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or the TSE, the Company shall comply with the Applicable Listing Rules (including

but not limited to the "Guidelines Governing the Utilization of Proxy for Shareholders Meetings of Public Companies") in respect of the proxies and proxy solicitation.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

73. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Board of Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DIRECTORS

74. Unless otherwise determined by the Company in general meeting, the number of Directors shall be no less than five (5) Directors with a maximum of seven (7) Directors. Amongst the Board of Directors, the Company shall have at least three (3) Independent Directors, and the Independent Directors shall account for at least one-fifth (1/5) of the total number of Directors. At least one (1) of the Independent Directors must be domiciled in Taiwan. For so long as the Shares are listed on the Taipei Exchange or the TSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer. The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors and Independent Directors shall be subject to and governed by the Applicable Listing Rules.

Where any Shareholder is a corporate entity, its representative may be elected as Director or supervisor (if any). Where there are several representatives of any corporate Shareholder, such representatives may be elected as either Directors or supervisors (if any) but not as Director and supervisors (if any) concurrently.

75. Independent Directors shall possess professional knowledge and maintain independence within the scope of their directorial duties without having any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence of Independent Directors, method of nomination of Independent Directors, and other matters in relation to Independent Directors shall be subject to the Applicable Listing Rules.

When the number of Independent Directors falls below the required number of Independent Directors under these Articles or the Applicable Listing Rules due to the disqualification or resignation of an Independent Director or the Independent Director ceases to be a Director for any reason, the vacancy of such Independent Director shall be filled and elected at the next following general meeting. When all of the Independent Directors have been disqualified, resigned or cease to be Directors for any reason, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to elect Independent Directors.

76. Unless otherwise permitted by the Commission and under the Applicable Listing Rules, a spousal relationship and/or a Family Relationship within the Second Degree of Kinship shall not exist among more than half (1/2) of the Directors (the "**Threshold**").

Where the Directors elected at the general meeting do not meet the Threshold, the election of the Director receiving the lowest number of votes among those not meeting the Threshold shall be deemed null and void. If any of the existing Directors does not meet the Threshold, such Director in office shall be discharged immediately and automatically.

77. When the number of Directors falls below five (5) due to the disqualification or resignation of a Director or any Director ceases to be a Director of the Company for any reason, the Company shall hold an election to elect substitute director(s) at the next following general meeting. When the number of Directors falls short by one-third (1/3) of total number of Directors elected at the previous general meeting convened to elect Directors and notwithstanding the actual current number of Directors, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to hold an election of Directors.

If all Directors are re-elected at a general meeting held prior to the expiration of the term of the current Directors (the "**Re-Election**"), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Re-Election. The aforesaid re-election of all Directors shall be held in the general meeting attended by Shareholders representing more than fifty percent (50%) of total issued Shares of the Company.

78. The general meeting of the Shareholders may appoint any natural person or corporation to be a Director or supervisors (if any). At a general meeting of election of Directors or supervisors (if any), the number of votes exercisable in respect of one (1) Share shall be the same as the number of Directors or supervisors (if any) to be elected, and the total number of votes per Share may be consolidated for election of one (1) candidate or may be split for election of two (2) or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director or supervisor (if any) so elected.
79. For so long as the Shares are registered in Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment and election of Directors (including the Independent Directors) or supervisors (if any) in accordance with the Applicable Listing Rules and, for the avoidance of doubt, (i) the Directors (excluding the Independent Directors) or supervisors (if any) shall only be elected and approved by the Shareholders from the list of candidates for Directors (excluding the Independent Directors) and supervisors (if any); and (ii) the Independent Directors shall only be elected and approved by the Shareholders from the list of candidates for Independent Directors.

Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

80. Subject to these Articles, the term for which a Director and supervisor (if any) will hold office shall not exceed three (3) years; thereafter he/she may be eligible for re-election. In case no election of new Directors or supervisors (if any) is effected after expiration of the term of office of the existing Directors or supervisors (if any), the term of office of such Directors or supervisors (if any) shall be extended until the time new Directors or supervisors (if any) are elected and assume their office.
81. A Director may be discharged at any time by either a Supermajority Resolution Type A or a Supermajority Resolution Type B adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
82. The Board of Directors shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office.
- 82B. For so long as the Shares are registered on the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, any Director (other than the Independent Director) or supervisor (if any), who, during his or her term and in one or more transactions, transfers more than fifty percent (50%) of the total Shares held by such Director or supervisor (as the case may be) at the time of his or her appointment or election as Director or supervisor (as the case may be) being approved at a general meeting (the "**Approval Time**"), shall be discharged or vacated from the office of Director or supervisor (as the case may be).

For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, if any person transfers, in one or more transactions, more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director (other than as an Independent Director) or supervisor (if any), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director or supervisor (if

any) will be proposed, his or her appointment or election as Director or supervisor (if any) shall be null and void.

83. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
84. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 84B. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, where any Director, who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

DIRECTORS' FEES AND EXPENSES

85. Unless otherwise stipulated in these Articles or the Applicable Listing Rules, the remuneration (if any) of the Directors is subject to resolution by the Board of Directors in accordance with the standard prevalent in the industry. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
86. Subject to Article 85, any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
- 86B. The Company shall establish a salaries and remuneration committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The salaries and remunerations in the preceding paragraph include the salaries and remunerations and stock options and other measures providing substantial incentives for Directors and managers.

ALTERNATE

87. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.
88. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

POWERS AND DUTIES OF DIRECTORS

89. At the close of each financial year, the Board of Directors shall prepare the business report, financial statements and the surplus earning distribution and/or loss offsetting proposals for adoption by the annual general meeting, and upon such adoption by the annual general meeting, distribute or make public announcements to each Shareholder copies of adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting in accordance with these Articles and the Applicable Listing Rules. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
90. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company.
91. The Directors may from time to time appoint any Person (exclusive of any Independent Directors), whether or not such Person is a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one (1) or more vice-presidents or chief financial officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Notwithstanding the foregoing, if any Directors hold either of the above positions, the relevant remuneration shall be subject to Article 85. Any Person so appointed by the Directors may be removed by the Directors.
92. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
93. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
94. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
95. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the two next following Articles shall not limit the general powers conferred by this Article.
96. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company (including but not limited to remuneration committee), and unless otherwise provided in the Applicable Listing Rules, the members of such committees shall be Directors. Where any Director holds above position, the relevant remuneration shall be subject to Article 85.
97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

- 97B Subject to the Cayman Islands law and the Applicable Listing Rules, any Director shall owe fiduciary duties to the Company and such fiduciary obligations shall include but not limited to the observance of general standards of loyalty, good faith and the avoidance of a conflict of duty and self-interest. If any Director breaches the aforesaid fiduciary duties, subject to the Cayman Islands law and the Applicable Listing Rules, such Director shall be held liable for any damages therefrom.

Subject to the Cayman Islands law and the Applicable Listing Rules, if any Director violates the aforesaid fiduciary duties for him/herself or another person, it may be resolved at the general meeting to deem any income from such behaviour as the Company's income.

If any Director breaches any applicable laws or regulations in performing business for the Company, therefore causing any loss or damage to third party, subject to the Cayman Islands law and the Applicable Listing Rules, such Director shall be held jointly and severally liable for the loss or damage to such third party with the Company. In this connection, such Director shall indemnify the Company for any loss or damage incurred by the Company to third party.

Subject to Cayman Islands law and the Applicable Listing Rules, to the extent of the scope of their respective duties, the officers and the supervisors (if any) of the Company shall bear the liability identical to that applicable to Directors pursuant to the preceding paragraphs of this Article.

BORROWING POWERS OF DIRECTORS

98. Subject to these Articles and the Applicable Listing Rules, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.
101. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

102. A person shall not act as a Director and shall be discharged or vacated from the office of Director, if he or she:
- (a) committed an organized crime and has been adjudicated guilty by a final judgment, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of the sentence, his term of probation has expired or he has been pardoned is less than five (5) years;

- (b) has been sentenced to imprisonment for a term of more than one (1) year for commitment of fraud, breach of trust or misappropriation, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of such sentence, his term of probation has expired or he has been pardoned is less than two (2) years;
 - (c) has been adjudicated guilty by a final judgment for violating anti-corruption law, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of such sentence, his term of probation has expired or he has been pardoned is less than two (2) years;
 - (d) becomes bankrupt or enters into liquidation process by a court order and has not been discharged from bankruptcy or liquidation;
 - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
 - (f) has no or only limited legal capacity;
 - (g) dies or is found to be or becomes of unsound mind;
 - (h) resigns his office by notice in writing to the Company;
 - (i) becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not been revoked; or
 - (j) is removed from office and ceases to be the Director pursuant to these Articles.
103. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and regulations and these Articles, but not been discharged or removed by a resolution of the general meeting, any Shareholder(s) holding three percent (3%) or more of the total number of issued Shares may, within thirty (30) days after that general meeting, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, in respect of such matter, for the removal of such Director, at the Company's expense.

PROCEEDINGS OF DIRECTORS

104. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. The notice of the Board meeting shall state the reasons for such meeting and shall be given to each Director at least seven (7) days prior to the meeting via mail or electronic transmission; however the Board meeting may be convened from time to time in case of any emergency in accordance with the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of Board Meetings.
105. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, by means of videoconference or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
106. Unless otherwise provided in these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half (1/2) of the Directors. A Director represented by alternate Director at any Board meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

107. 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:

- (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
- (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;

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.

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.

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.

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.

108. A Director (exclusive of any Independent Directors) who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by either a Supermajority Resolution Type A or a Supermajority Resolution Type B. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one (1) year from such behaviour.

109. Notwithstanding the preceding Articles, subject to the Applicable Listing Rules, a Director (exclusive of any Independent Directors) may hold any other office or place of profit under the Company (other than the office of internal auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

110. Subject to these Articles and the Applicable Listing Rules, any Director (exclusive of any Independent Directors) may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as internal auditor to the Company.

111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
112. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.
113. Subject to the Applicable Listing Rules, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
114. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one (1) of their number to be chairman of the meeting.
115. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
116. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, all acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
117. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors:
- (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
 - (b) the sale or transfer of the whole or any material part of its business or assets;
 - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) the election of Chairman of the Board pursuant to these Articles;
 - (e) the distribution of part or all of the dividends or bonus of the Company by way of cash pursuant to Article 125A;
 - (f) the allocation of Employees' Remuneration and Directors' Remuneration pursuant to Article 129; and
 - (g) issuance of corporate bonds.

AUDIT COMMITTEE

118. The Company shall set up an Audit Committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The Audit Committee shall comprise solely of all Independent Directors and the number of committee members shall not be less than three (3). Subject to the Applicable Listing Rules, one (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half (1/2) or more of all its members.
119. Notwithstanding anything provided to the contrary contained in these Articles, the following matters require approval of one-half (1/2) or more of all members of the Audit Committee and final approval of the Board:
- (a) adoption of or amendment to an internal control system;
 - (b) assessment of the effectiveness of the internal control system;
 - (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, provision or extension of monetary loans to others, or endorsements or guarantees for others;
 - (d) any matter relating to the personal interest of the Directors;
 - (e) the entering into of a transaction relating to material assets or derivatives;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or private placement of the Shares or any equity-linked securities;
 - (h) the hiring or dismissal of an attesting certified public accountant as the auditor of the Company, or the compensation given thereto;
 - (i) the appointment or discharge of a financial, accounting, or internal auditing officers;
 - (j) approval of annual and semi-annual financial reports; and
 - (k) any other material matter deemed necessary by the Board of Directors or so required by Applicable Listing Rules or the competent authority.

Subject to the Applicable Listing Rules, with the exception of item (j) above, any other matter that has not been approved with the consent of one-half (1/2) or more of all Audit Committee members may be undertaken upon the consent of two-thirds (2/3) or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Subject to the Applicable Listing Rules, where the Audit Committee is unable to convene a meeting for any proper cause, matters may be approved by consent of two-thirds (2/3) or more of all Directors, provided that the Independent Director members shall still be required to issue an opinion as to whether the resolution is approved in respect of a matter under item (j) above.

120. The accounts of the Company shall be audited at least once in every year.
121. The Audit Committee shall at all reasonable times have access to and may make copies of all books, all accounts and vouchers and documents kept by the Company; and the Audit

Committee may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

122. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.
123. Subject to the Cayman Islands law, any Shareholder(s) holding one percent (1%) or more of the total number of the issued Shares of the Company for six (6) consecutive months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

If the Independent Director of the Audit Committee who has been requested by such Shareholder(s) in accordance with the previous paragraph fails or refuses to file such litigation within thirty (30) days after receiving the request by such Shareholder(s), subject to Cayman Islands law, such Shareholder(s) may file such litigation on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

- 123A. Other than that the Board of Directors is unwilling or unable to convene a general meeting, an Independent Director of the Audit Committee may convene a general meeting for the interest of the Company when necessary.
124. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Rules of Audit Committee.

DIVIDENDS

125. Subject to the Law, any rights and restrictions for the time being attached to any Shares and these Articles, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

Subject to the Law, the Company by Special Resolution may distribute its Capital Reserves, in whole or in part, by issuing new shares (which shall be distributable as dividend shares) to its original shareholders in proportion to the number of shares being held by each of them or by cash.

- 125A Notwithstanding the preceding Article (125), the Directors may distribute part or all of the dividends or bonus by way of cash with the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors, and report the aforementioned distribution to the Shareholders at the next general meeting.
126. Subject to Article 129, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be

employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

127. Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
129. As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs.

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) a maximum of ten percent (10%) and a minimum of one point five percent (1.5%) of such annual profits before tax for the purpose of employees' remuneration (including employees of the Company and/or any Affiliated Company) (the "**Employees' Remuneration**"); and (2) a maximum of two percent (2%) of such annual profits before tax for the purpose of Directors' remuneration (the "**Directors' Remuneration**"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remuneration and Directors' Remuneration. Subject to Cayman Islands law, the Applicable Listing Rules and notwithstanding Article 139, the Employees' Remuneration and the Directors' Remuneration may be distributed in the form of cash and/or bonus shares, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remuneration and the Directors' Remuneration in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off accumulated losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%)

and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

130. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share. No dividend shall bear interest against the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. The Board of Directors shall prepare and submit the business reports, financial statements and records to the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the surplus earning distribution and/or loss offsetting. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
134. Subject to the Applicable Listing Rules, the Board shall keep copies of the yearly business report, financial statements and other relevant documents at the office of its Shareholders' Service Agent in Taiwan ten (10) days before the annual general meeting and any of its Shareholders is entitled to inspect such documents from time to time.
135. Save for the preceding Article 134 and Article 148, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
136. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
137. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

INTERNAL AUDIT

138. The Company shall set up internal audit unit under the Board of Directors, and hire qualified and adequate staffs as internal auditors. Any matters in relation to the internal audit shall comply with the Applicable Listing Rules.

CAPITALISATION OF RESERVES

139. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of either a Supermajority Resolution Type A or a Supermajority Resolution Type B:
- (a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;

- (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;
 - (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and
 - (d) generally do all acts and things required to give effect to any of the actions contemplated by this Article 139.
- 139A. 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.

PUBLIC TENDER OFFER

140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, any public tender offer of the Shares of the Company shall be subject to the Applicable Listing Rules, including but not limited to the "Regulations Governing the Public Tender Offer of Shares of Public Companies".

SHARE PREMIUM ACCOUNT

141. The Directors shall in accordance with the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
142. Subject to the Applicable Listing Rules and the Law, there shall be debited to any share premium account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

NOTICES

143. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
145. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;

- (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
- (c) recognised courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
- (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

148. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the foresaid Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of the corporate bonds issued by the Company. The Company shall cause its Shareholders' Service Agent to provide the aforesaid documents.
149. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
150. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

INDEMNITY OR INSURANCE

151. The Company may by Ordinary Resolution adopt one (1) of the protection mechanisms as described in Article 152 (a) and (b).
152. (a) Every Director and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") may be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
- (b) The Company may purchase directors and officers liability insurance ("**D&O insurance**") for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Law and the Applicable Listing Rules.

FINANCIAL YEAR

153. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

WINDING- UP

154. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Shareholders in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
155. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law and in compliance with the Applicable Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.
156. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

AMENDMENT OF ARTICLES OF ASSOCIATION

157. Subject to the Law and the Articles, the Company may at any time and from time to time by Special Resolution alter or amend the Memorandum of Association and/or these Articles in whole or in part.

LITIGIOUS AND NON-LITIGIOUS AGENT

158. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company shall appoint a litigious and non-litigious agent in Taiwan (the "**Litigious and Non-Litigious Agent**"). The Litigious and Non-Litigious Agent shall be the responsible person of the Company in Taiwan and shall have residence or domicile in Taiwan. The Company shall report to the Commission in respect of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent. In case of any change of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent, the Company shall report to the Commission in respect of such change.

CORPORATE SOCIAL RESPONSIBILITY

159. For the purpose of performing corporate social responsibility, the Company shall follow the applicable laws, regulations and business ethics in operating its businesses and may conduct practices to facilitate public interests.

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.