



Stock 6451

ShunSin Technology Holdings Limited

2021 Annual Shareholders' Meeting

Meeting Handbook

JUNE 24, 2021

DISCLAIMER :

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2021 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF SHUNSIN TECHNOLOGY HOLDINGS LIMITED (THE "Company"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE Company HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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I. Meeting Procedure

1 、 Report the total number of shares represented at this AGM

2 、 Meeting Commencement Announced

3 、 Chairman's Address

4 、 Report Items

5 、 Ratification Items

6 、 Discussion and Election Items

7 、 Extraordinary Motions

8 、 Meeting Adjournment

II. Meeting Agenda

Time: 09:00 a.m., June 24, 2021

Venue: Primasia Conference & Business Center, 15F., No. 99, Fuxing N. Rd., Songshan Dist.,
Taipei City 105, Taiwan (R.O.C.)

i. Report the total number of shares represented at this AGM

ii. Meeting Commencement Announced

iii. Chairman's Address

iv. Report Items

- (1) Report the business of 2020
- (2) Audit Committee's review report of 2020
- (3) Report on the distribution of the 2020 Employees' Compensations and Directors' Remuneration
- (4) Report on the distribution of the 2020 Cash Dividend
- (5) Case of Policy Governing Second Share Repurchases and Transfer to Employees of the Company and the Current Status of the Implementation of Repurchase
- (6) Case of the amendments to the Company's "Rules of Procedure for Broad of Directors Meetings"

v. Ratification Items

- (1) 2020 Business Report and Financial Statements
- (2) The proposal for distribution of 2020 earnings

vi. Discussion Items

- (1) Discussion of the amendments to the Company's "Procedures for Lending Funds to Others.
- (2) Discussion of the amendments to the Company's "Rules of Procedure for Shareholders Meetings"

vii. Extraordinary Motions

viii. Adjournment

Report Items

Item 1: 2020 Business Report

- Description:**
1. Please refer to Attachment 1 (pages 7-10) for the Business Report.
 2. Please refer to Attachment 2 (pages 11-19) for the Financial Statements.

Item 2: Audit Committee's Review Report of 2020 audited financial statements

- Description:** Please refer to Attachment 3 (pages 20) for the Audit Committee's Review Report.

Item 3: Report on the distribution of the 2020 Employees' Compensations and Directors' Remuneration

- Description:** Please refer to Attachment 4 (pages 21) for the 2020 Employees' Compensations and Directors' Remuneration Report.

Item 4: Report on the distribution of the 2020 Cash Dividend

- Description:**
1. The Company plans to distribute dividend of NT\$440,212 thousand. Each common share holder will be entitled to receive a cash dividend of NT\$4.13 per share. The cash dividends will be calculated to the nearest NT\$1 dollar. All fractional values of less than NT\$ were summed up and classified as the Company's other income. Please refer to Attachment 5 (pages 22).
 2. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed as a result of changes in share capital, so that the ratios of the stock dividends and cash dividends are changed and need to be adjusted, the Chairman would make such adjustments.

Item 5: Report on the distribution of the 2020 Cash Dividend

- Description:**
1. The Board of the Company made the resolution of "Policy Governing First Share Repurchased and Transferred to Employees" on Apr. 27, 2020 and stipulated the Policy Governing First Share Repurchased and Transferred to Employees in accordance with provisions in Article 10 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies. Please refer to Attachment 6 (Page 23~25).
 2. The repurchase of treasury shares shall be carried out in accordance with the repurchase period and the repurchase price range of the resolution. The report on the implementation of repurchase is as follows:

Repurchase Purpose	Shares Transferred to Employees
Repurchase Period	2020/04/28-2020/06/27
Repurchase Price Range (NT\$)	76 ~ 158
Estimated Number of Share Repurchased	3,000 (thousand shares)
Actual Number of Share Repurchased	0
Amount of Repurchased Shares (NT\$)	0
Percentage of total issuance of the Company	0%

Item 6: Case of the amendments to the Company’s “Rules of Procedure for Broad of Directors Meetings”

Description: In accordance with the requirements with Tai-Cheng-Zhi-Li-Tzu No.1090009468 issued on June. 3, 2020 by TWSE, the Company’s “Rules of Procedure for Broad of Directors Meetings” was amended. The amendments are shown in the comparison table on Attachment 7 (pages 26).

Ratification Items

Proposal 1: Ratification of the 2020 Business Report and Audited Financial Statements.

Description: 1. The 2020 Business Report and Financial Statements have been approved by the Board of Directors, and have been reviewed by the Audit Committee.

2. Please refer to Attachment 1 through Attachment 3 (pages 7-19) for the documents mentioned above.

Resolution:

Proposal 2: To approve the proposal for distribution of 2020 earnings.

Description: 1. The Company's net profit after taxes totaled NT\$724,859 thousand (Attributed to Stockholders of the Company). After deducting the general reserve of NT\$69,912 thousand and capital surplus of NT\$25,739 thousand, adding the accumulated unappropriated earning at the beginning of the period of NT\$1,188,379 thousand and special reserve of NT\$92,229 thousand, the available earnings for distribution was NT\$1,909,816 thousand at the end of the period.

2. Please refer to Attachment 5 (pages 22) for the 2020 Earnings Distribution Table.

Resolution:

Discussion Items

Proposal 1: **Discussion of the amendments to the Company’s “Procedures for Lending Funds to Others.”**

Description: In accordance with the requirements with Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies on July.24, 2020 by FSC and the Company's actual operational requirements, the amendments to the Company’s “Procedures for Lending Funds to Others” are proposed. The proposed amendments are shown in the comparison table on Attachment8 (pages 27).

Resolution:

Proposal 2: **Discussion of the amendments to the Company’s “Rules of Procedure for Shareholders Meetings”**

Description: In accordance with the requirements with Tai-Cheng-Zhi-Li-Tzu No. 1090009468 issued on June. 3, 2020 by the TWSE, the amendments to the Company’s “Rules of Procedure for Shareholders Meeting” are proposed. The proposed amendments are shown in the comparison table on Attachment 9 (pages 28-29).

Resolution:

Extraordinary Motions

Adjournment

III. Attachments

【 Attachment 1.】 2020 Business Report

ShunSin Technology Holdings Limited

2020 Business Report

i. Preface

OECD Economic Outlook 2020 pointed out that the global economy was impacted by COVID-19 in 2020, with different countries and industries being impacted to varying degrees. The momentum of the gradual recovery will differ significantly, resulting in a gradual increase in economic uncertainty. As a result, in response to the worst economic slowdown since World War II, countries have also adopted quantitative easing policies. Although the global economy has been severely impacted by the epidemic, the development of science and technology has accelerated, and the demand for 5G applications, remote office, cloud business, biotechnology, and medical care has greatly increased. All of these advancements and changes in global lifestyles have been brought about by COVID-19. The year 2020 is just the beginning of the "post-epidemic era."

With the negative impact of the global economy, some of the Group's products have also been affected by the epidemic. Relying on a diversified layout, years of packaging and testing experience, and high-yield technology, ShunSin has gained customers' trust and support, and its operations can maintain steady growth under good risk management. In 2021, in addition to the continuous expansion of original projects, the Group is also expected to benefit from the development of 5G, the slowing down of the epidemic, and the new business opportunities of the "post-epidemic era." It is believed that the next year will be a good time for ShunSin to achieve further success.

ii. Operating Performance

The end products of the Group are mainly the consumer electronics industry and the optical communication market. The Group has successfully transformed the diversified product layout and achieved good results in the fields of high-speed optical transceiver modules, biometric modules and SiP products, although 2020 began to be affected by COVID-19, with years of technology, experiences and good cooperation with customers, the Company adjusted its operating policies in a timely manner to reduce the impact, so the operating performance in 2019 is still

greater than the previous year.

The operating performance indicators of the Group in 2020 are as follows:

Currency: NT\$ thousand, %

Item		FY2020		FY2019		Diff.	Note
Profitability	Consolidated Revenue	4,849,689		5,744,804		(895,115)	Mainly due to COVID-19, so customer demand declines.
	Consolidated Gross Profit (margin)	1,580,357	32.59%	1,386,499	24.13%	193,858	Mainly due to changes in product mix.
	Consolidated Net Income (margin)	719,556	14.84%	629,285	10.95%	90,271	Mainly due to changes in product mix, decrease defect rate, excellent cost management.
	Return on Asset	5.91%		6.13%		(3.59%)	Mainly due to rising assets.
	Return on Equity	12.08%		11.12%		8.63%	Mainly due to rising consolidated net income.
	Earnings per share	\$6.88		\$6.16		\$0.72	Mainly due to rising consolidated net income.
Capital Structure	Debts ratio	57.51%		50.50%		13.88%	Mainly due to increased short-term borrowing needs for operating turnover.
Liquidity	Current ratio	167.43%		217.94%		(23.18%)	Mainly due to increased short-term borrowing
	Quick ratio	162.22%		206.51%		(21.45%)	Mainly due to increased short-term borrowing.
Operating Performance	Average collection turnover (times)	4.41		4.76		(0.35)	Mainly due to decline consolidated revenue.
	Average collection days	82.73		76.77		5.96	Mainly due to decline consolidated revenue.
	Average inventory turnover (times)	9.91		10.43		(0.52)	Mainly due to changes in product mix, so average inventory declines.
	Average inventory turnover days	36.80		34.99		1.81	Mainly due to changes in product mix, so average inventory declines.

The overall operating performance of 2020 was better than that of 2019, mainly due to the fruitful results achieved in diversifying the Group's transformation products. In 2021, the Group will rely on a good basis for the work in the past, the market power of the overall market recovery, provide clients with more diversified products, and build stronger and closer cooperation with clients, all to continue to drive the Group's operating performance in 2021.

Income Share of Product Sales in 2020 and 2019

	FY 2020	FY 2019
High-speed optical transceiver	41.46%	48.07%
SiP	13.77%	18.25%
Biometric ID	34.48%	21.36%
Automotive Electronics	8.53%	10.7%
Other	1.76%	1.62%
Total	100%	100%

iii. Vision of the Future

The building of 5G networks has been a topic and market that represent a particular concern throughout the world, and countries have begun to invest in the construction and commercial planning of 5G networks. According to a report by the economic forecasting agency IHS Markit, the 5G supply chain in 2035 will create revenue of US \$ 3.5 trillion in global context, and furthermore, it will create more global economic output worth up to \$ 13.1 trillion during 2020-2035. Since 5G supports high-frequency Sub-6GHz and mmWave (millimeter wave), 5G will not only drive the PA market, but also significantly change RF components and radio frequency front-end module (RF FEM) technology. From the perspective of the Group's smartphones for terminal application products, 5G will be the primary driving force for smartphone growth over the next decade. According to Gartner, a research organization, more 5G smartphones will be launched in 2020, 5G services in many countries will be launched one after another, and 5G coverage and hardware will be improved. Such developments will increase consumers' willingness to switch phones and are expected to increase smart phone sales. When the 5G frequency band is applied in the future, the demand for integrated technology for its internal modules will be even greater. We believe that this will be a big business opportunity for the SiP technology field in which the Group excels.

Furthermore, in the era of big data, sensors are used as a front-end project for data collection. Since Apple launched the first smart phone equipped with a 3D sensing module in 2017, sensors have gradually received increasing attention. According to Yole's analysis, the 3D sensing market will expand from US\$5 billion to US\$15 billion at a compound annual growth rate (CAGR) of 20% from 2019 to 2025. 3D sensing technology has high requirements for packaging technology, of which the Group is a pioneer, so it is expected to remain an important product of the Group in 2021.

With the advent of the big data era, the rapid growth of the global mobile broadband and cloud computing market has significantly increased the demand for data transmission. In recent years, fiber optic transceiver modules that can quickly process large amounts of data transmission have become the focus of the industry's development direction. In the past, 40G transceiver module products were able to meet most market needs, but with the improvement of network transmission technology, the data transmission speed of 5G in the future will be a hundred times that of 4G. According to the Lightcounting report, the optical transceiver module market will continue to expand from the year 2020, and 400G optical transceiver modules will become the mainstream of high-end applications. The Group has been deeply involved in the field of high-speed optical fiber transceiver modules for years, and its production technology has continued to advance from 10G to the current capacity of producing 400G high-speed optical fiber transceiver modules. In 2020, optical fiber and high-fiber transceiver module products are expected to continue to bring substantial benefits to the group.

Looking into 2021, the global economy and industries are gradually recovering from the impact of the COVID-19, as people have slowly adapted to the "post-epidemic era." The impact of COVID-19 has begun to weaken due to the advent of vaccines. Although the global economy is still affected by the impact of the epidemic, the momentum of the recovery varies due to industry differences, and the adoption of monetary easing policies by various countries has also caused the global economic uncertainty to continue to rise, the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD) have successively increased their expectations for economic growth in 2021. According to PwC's annual global CEO survey, 76% of the CEOs surveyed believe that economic growth will improve in 2021, and the global financial market is full of optimism. From 2021 to 2022, economic prosperity is expected to be restored to the level before the epidemic. As the overall market is prosperous and the group's diversified products are closely related to the 5G market trend, high-speed optical fiber transceiver modules, biometric modules, and SiP sensors show great potential. Relying on the Group's rich packaging and testing experience and high-yield packaging technology, we have great confidence and believe that the Group will have outstanding performance in the coming year.

Chairman : Hsu, Wen-Yi

【Attachment 2.】 Independent Auditors’ Report and 2020 Consolidated Financial Statements

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors of ShunSin Technology Holdings Limited,

Audit Opinion

We have audited the consolidated financial statements of ShunSin Technology Holdings Limited and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2020 and 2019, and the related consolidated statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policy.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgements, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition

Please refer to note 4 (13) for accounting policy related to revenue recognition, and notes 6 (19) for the information related to revenue of the consolidated financial report.

Description of key audit matter:

Due to sales transactions of the Group are depending on contracts, we need to judge individually to confirm the adequacy of revenue recognition. Additionally, the Group adopts IFRSs 15, which involves complex accounting treatments and policy may result in inappropriate performance obligations and recognition of revenue under IFRSs 15. In addition, it is necessary to evaluate and verify the completeness and accuracy of the relevant materials used, as well as the new disclosure requirements revenue recognition is listed as one of the important items in the audit of the financial statements of this year.

Our audit procedures included:

- Assess the appropriateness of accounting policy in accordance with the requirements of the IFRSs 15 and the understanding of operating and industry characteristics.
- Testing the effectiveness of the design and implementation of internal control over sales and collection cycle, and to examine major contracts to assess revenue recognition.
- Performing comparison analysis on sale of the current period to last period and the latest quarter, and performing trend analysis on sales from each top ten customer to assess the existence of any exceptions, and further identify and analyze the causes if there is any significant exception..
- Performing confirmation procedure of sales revenue and examining significant returns or exchanges after the balance sheet date to assess the assertions of the existence, accuracy, as well as the appropriateness of recognition.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether the sales of goods, sales returns and allowances have been the appropriately recognized.

2. Financial Assets at Fair Value through Profit and Loss

Please refer to note 4 (7) “Financial Instrument” for the accounting policies of financial assets measured at fair value through profit and loss; note 5 for accounting assumptions and estimation uncertainties of impairment of financial assets measured at fair value through profit and loss, and note 6 (2) and (22) “Financial Instrument” for the property and evaluation statements of financial assets measured at fair value through profit and loss.

Description of key audit matter:

The financial assets measured at fair value through profit and loss of the Group are susceptible to the operating conditions of the companies and the economic environment that the fund invests, resulting in greater changes in the subsequent profits or losses recognized as gains and losses at fair value re-measurement, thus adjusting the value of financial assets. Assessing the

fair value of this financial asset often requires complicated evaluation techniques. Therefore, we listed the evaluation of financial assets measured at fair value of profits and losses as one of the key audit matters in the audit of Financial Statements of this year.

Our audit procedures included:

- Obtain the appraiser's appraisal report of the invested Company entrusted by the Group, and evaluate the appraiser's qualification and independence.
- Evaluate the rationalities of the assumptions used in the appraisal report in estimating the price of an investment.
- Evaluate the rationalities of the recognition of profit and loss of financial assets in the accounts of the Group.

3. Recognition of deferred income tax asset

Please refer to Note 4(17) "Income Tax" for accounting policies related to recognition of deferred tax asset; please refer to Note 6 (15) of "Income Tax" for descriptions of property and evaluation.

Description of key audit matter:

The subsidiaries of the Group operate in different countries and involve complex multinational tax systems. Due to the complexity of tax laws in different countries, the difference between the book amount and tax basis of foreign business entities, we listed the recognition of deferred income tax assets as one of the key audit matter in the audit of Financial Statements of this year

Our audit procedures included:

- Obtain annual income tax declaration or verification data to determine major temporary difference adjustment items between book value and tax base.
- Evaluate the rationality of deferred income tax assets or liabilities arising from major temporary differences.
- Tax experts in the place where the foreign business entity is located are invited to participate in the assessment of the reasonableness of the items for the recognition of deferred income tax assets and liabilities and the recorded amount.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Accountant’s Responsibility for Auditing Consolidated Financial Report

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 a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and,

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters significant in our audit of the consolidated financial statements for the years ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

Expressed in Thousands of New Taiwan Dollars

		2020.12.31		2019.12.31				2020.12.31		2019.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equities					
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (Note 6(1))	\$ 9,943,380	68	6,386,315	56	2100	Short-term loans (Note 6(10))	\$ 4,513,883	31	3,022,229	27
1110	Current financial assets at fair value through profit or loss (Note 6(2)and(12))	13,607	-	1,429	-	2170	Accounts payable	319,494	2	363,471	3
1140	Current contract assets (Note 6(19) and 7)	188,071	1	260,384	2	2180	Accounts payable to related parties (Note 7)	3,175	-	1	-
1151	Notes receivable (Note 6(4) and (19))	-	-	710	-	2200	Other payables (Note 6(20))	534,213	4	341,200	3
1170	Accounts receivable (Note 6(4) and (19))	394,033	3	530,614	5	2220	Other payables to related parties (Note 7)	38,454	-	34,749	1
1181	Accounts receivable — related parties (Note 6(4), (19) and 7)	701,751	5	571,492	5	2230	Current tax liabilities	31,553	-	16,645	-
1206	Other receivables (Note 6(5))	10,945	-	124,014	1	2280	Current lease liabilities (Note 6(13))	32,598	-	20,462	-
1220	Current tax assets	11,513	-	5,210	-	2321	Bonds payable, current portion (note 6 (12))	1,443,956	10	-	-
1310	Inventories (Note 6(6))	325,196	2	334,061	3	2399	Other current liabilities	27,090	-	20,236	-
1410	Prepayments	36,522	-	102,552	1			6,944,416	47	3,818,993	34
1470	Other current assets	2,044	-	6,690	-	25xx	Non-current liabilities:				
		11,627,062	79	8,323,471	73	2530	Convertible bonds payable (Note 6(12))	-	-	1,413,728	12
15xx	Non-current assets:					2540	Non-current portion of non-current borrowings (Note 6(18) and 8)	836,100	6	-	-
1510	Financial assets measured at fair value through profit or loss — non-current (Note 6(2) and (12))	446,000	3	478,401	4	2570	Deferred tax liabilities (Note 6(15))	520,289	4	421,389	4
1535	Non-current financial assets at amortised cost (Note 6(3),(11) and 8)	8,000	-	-	-	2580	Non-current lease liabilities (Note 6(13))	33,187	-	31,413	-
1600	Property, plant and equipment (Note 6(7) and 7)	2,120,032	15	2,255,451	20	2630	Long-term deferred revenue	110,546	1	94,090	1
1755	Right-of-use assets (Note 6(8))	344,034	2	90,329	1	2645	Guarantee deposits received	1,118	-	1,443	-
1780	Intangible assets (Note 6(9))	10,779	-	2,915	-			1,501,240	11	1,962,063	17
1840	Deferred tax assets (Note 6(15))	115,075	1	268,126	2	2xxx	Total liabilities	8,445,656	58	5,781,056	51
1915	Prepayments for business facilities	359	-	19,335	-	31xx	Total equity attributable to owners of parent (Note 6(12), (16) and (17)):	1,072,558	7	1,065,248	9
1920	Guarantee deposits paid	12,540	-	10,808	-	3110	Ordinary share	2,816,502	19	2,753,167	24
		3,056,819	21	3,125,365	27	3200	Capital surplus				
						3300	Retained earnings:				
						3310	Legal reserve	403,331	3	339,499	3
						3320	Special reserve	345,229	2	-	-
						3350	Unappropriated retained earnings	1,887,499	13	1,985,081	17
								2,636,059	18	2,324,580	20
						3400	Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	(253,000)	(2)	(345,230)	(3)
						3500	Treasury shares	(74,605)	-	(149,649)	(1)
							Total equity attributable to owners of parent	6,197,514	42	5,648,116	49
						36xx	Non-controlling interests	40,711	-	19,664	-
						3xxx	Total equity	6,238,225	42	5,667,780	49
						2-3xxx	Total liabilities and equity	\$ 14,683,881	100	11,448,836	100
1xxx	Total assets	\$ 14,683,881	100	11,448,836	100						

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Chieh-Min

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earning Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating Revenue (Note 6(19) and 7):				
4110	Sales revenue	\$ 4,855,293	100	5,785,498	101
4170	Less: Sales return	-	-	3	-
4190	Sales discounts and allowances	5,604	-	40,691	1
	Operating Revenue	4,849,689	100	5,744,804	100
5000	Operating costs (Note 6(6), (7), (8), (9), (13), (14) and 7)	3,269,332	67	4,358,305	76
5900	Gross profit from operations	1,580,357	33	1,386,499	24
6000	Operating expenses (Note 6(4), (7), (8), (9), (13), (14), (17), (19),(20) and 7):				
6100	Selling expenses	38,811	1	33,253	-
6200	Administrative expenses	306,770	6	434,813	8
6300	Research and development expenses	272,144	6	280,919	5
6450	Impairment loss (impairment gain and reversal of impairment loss)	1,026	-	14,216	-
	Total operating expenses	618,751	13	763,201	13
6900	Net operating profits	961,606	20	623,298	11
7000	Non-operating income and expenses (Note 6(2), (12), (13), (21) and 7)				
7100	Interest income	173,508	4	126,483	2
7010	Other income	59,199	1	143,513	3
7020	Other gains and losses	(122,078)	(3)	(41,506)	(1)
7050	Finance costs	(65,864)	(1)	(63,354)	(1)
	Total non-operating income and expenses	44,765	1	165,136	3
7900	Profit from continuing operations before tax	1,006,371	21	788,434	14
7950	Loss: Income tax expense (Note 6(15))	286,815	6	159,149	3
8200	Profit	719,556	15	629,285	11
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	92,841	2	(350,138)	(6)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income, net	92,841	2	(350,138)	(6)
8500	Total comprehensive income (loss)	\$ 812,397	17	279,147	5
	Profit, attributable to:				
8610	Owners of parent	\$ 724,859	15	638,315	11
8620	Non-controlling interests	(5,303)	-	(9,030)	-
		\$ 719,556	15	629,285	11
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 817,089	17	288,992	5
8720	Non-controlling interests	(4,692)	-	(9,845)	-
		\$ 812,397	17	279,147	5
	Basic earnings per share (expressed in New Taiwan Dollars) (Note 6(18))				
9750	Basic earnings per share	\$ 6.88		6.16	
9850	Diluted earnings per share	\$ 6.52		5.67	

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Chieh-Min

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings						Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital reserves	Legal reserves	Special reserve	Unappropriated retained earnings	Total					
Balance as of January 1, 2019	\$ 1,054,468	2,632,394	309,674	-	1,615,955	1,925,629	4,093	-	5,616,584	29,509	5,646,093
Earnings allocation and distribution:											
Legal reserve	-	-	29,825	-	(29,825)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(239,364)	(239,364)	-	-	(239,364)	-	(239,364)
Profit	-	-	-	-	638,315	638,315	-	-	638,315	(9,030)	629,285
Other comprehensive income (loss)	-	-	-	-	-	-	(349,323)	-	(349,323)	(815)	(350,138)
Total comprehensive income (loss)	-	-	-	-	638,315	638,315	(349,323)	-	288,992	(9,845)	279,147
Shares issued due to stock option executed	10,780	92,298	-	-	-	-	-	-	103,078	-	103,078
Purchase of treasury shares	-	-	-	-	-	-	-	(243,432)	(243,432)	-	(243,432)
Proceeds from sale of treasury shares	-	-	-	-	-	-	-	93,783	93,783	-	93,783
Share-based payment transactions	-	28,475	-	-	-	-	-	-	28,475	-	28,475
Balance at December 31, 2019	1,065,248	2,753,167	339,499	-	1,985,081	2,324,580	(345,230)	(149,649)	5,648,116	19,664	5,667,780
Earnings allocation and distribution:											
Legal reserve	-	-	63,832	-	(63,832)	-	-	-	-	-	-
Special reserve	-	-	-	345,229	(345,229)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(387,641)	(387,641)	-	-	(387,641)	-	(387,641)
Profit	-	-	-	-	724,859	724,859	-	-	724,859	(5,303)	719,556
Other comprehensive income (loss)	-	-	-	-	-	-	92,230	-	92,230	611	92,841
Total comprehensive income (loss)	-	-	-	-	724,859	724,859	92,230	-	817,089	(4,692)	812,397
Shares issued due to stock option executed	7,310	60,161	-	-	-	-	-	-	67,471	-	67,471
Proceeds from sale of treasury shares	-	-	-	-	-	-	-	75,044	75,044	-	75,044
Changes in ownership interests in subsidiaries	-	-	-	-	(25,739)	(25,739)	-	-	(25,739)	25,739	-
Share-based payment transactions	-	3,174	-	-	-	-	-	-	3,174	-	3,174
Balance at December 31, 2020	<u>\$ 1,072,558</u>	<u>2,816,502</u>	<u>403,331</u>	<u>345,229</u>	<u>1,887,499</u>	<u>2,636,059</u>	<u>(253,000)</u>	<u>(74,605)</u>	<u>6,197,514</u>	<u>40,711</u>	<u>6,238,225</u>

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Chieh-Min

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

	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 1,006,371	788,434
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	492,935	588,500
Amortization expense	2,120	4,033
Expected credit loss for bad debt expense	1,026	14,216
Net loss on financial assets and liabilities at fair value through profit or loss	68,172	44,902
Interest expense	65,864	63,354
Interest income	(173,508)	(126,483)
Share-based payments	3,174	28,475
Property, plant and equipment transferred to expenses	246	254
Loss (gain) on disposal of property, plant and equipment	1,867	(5,165)
Rent concessions (recognized as other income)	(1,719)	-
Total adjustments to reconcile profit (loss)	460,177	612,086
Changes in operating assets and liabilities :		
Changes in operating assets :		
Contract assets	72,313	89,684
Notes receivable	710	12,394
Accounts receivable	135,555	(33,523)
Accounts receivables— related parties	(130,259)	218,205
Other receivables	116,616	(15,792)
Inventories	8,865	167,479
Prepayments	66,030	139,236
Other current assets	(115,288)	(3,320)
Total changes in operating assets	154,542	574,363
Changes in operating liabilities :		
Accounts payable	(43,977)	(226,871)
Accounts payable— related parties	3,174	(365)
Other payables	190,890	46,518
Other payables— related parties	(6,298)	4,335
Other current liabilities	6,854	9,921
Long-term deferred income	16,456	28,598
Total changes in operating liabilities	167,099	(137,864)
Total changes in operating assets and liabilities	321,641	436,499
Total adjustments	781,818	1,048,585
Cash inflow (outflow) generated from operations	1,788,189	1,837,019
Interest received	169,961	127,225
Interest paid	(36,226)	(32,049)
Income tax paid	(32,747)	621
Net cash flows from (used in) operating activities	1,889,177	1,932,816
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(8,000)	-
Acquisition of financial assets at fair value through profit or loss	(64,096)	(571,513)
Acquisition of property, plant and equipment	(294,460)	(1,147,571)
Proceeds from disposal of property, plant and equipment	26,611	32,436
Increase in guarantee deposits paid	(1,732)	(773)
Acquisition of intangible assets	(9,789)	(665)
Acquisition of use-of-right assets	(135,471)	-
Increase in prepayments for business facilities	(584)	(19,335)
Net cash used in investing activities	(487,521)	(1,707,421)
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,050,973	7,044,962
Decrease in short-term loans	(5,559,319)	(5,657,754)
Proceeds from long-term debt	840,000	-
Increase (decrease) in guarantee deposits received	(341)	341
Payments of lease liabilities	(25,903)	(9,064)
Cash dividends paid	(387,641)	(239,364)
Shares issued due to stock option executed	67,471	103,078
Payments to acquire treasury shares	-	(243,432)
Proceeds from sale of treasury shares	75,044	93,783
Net cash flows from financing activities	2,060,284	1,092,550
Effect of exchange rate changes on cash and cash equivalents	95,125	(224,937)
Net increase (decrease) in cash and cash equivalents	3,557,065	1,093,008
Cash and cash equivalents at beginning of period	6,386,315	5,293,307
Cash and cash equivalents at end of period	\$ 9,943,380	6,386,315

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Chieh-Min

【Attachment 3.】 Audit Committee’s review report of 2020

The Board of Directors has prepared the Company’s Financial Statements and 2020 Business Report. Of which, the Financial Statements have been audited by KPMG Taiwan. The Financial Statements, 2020 Business Report have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

ShunSin Technology Holdings Limited

Chairman of the The Audit Committee: Ting, Hung-Hsun

On the date of March 24, 2021

The Board of Directors has prepared the Company’s proposal for distribution of 2020 earnings. The proposal for distribution of 2020 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

ShunSin Technology Holdings Limited

Chairman of the The Audit Committee: Ting, Hung-Hsun

On the date of May 13, 2021

【Attachment 4.】 Report of the 2020 Employees' Compensations and Directors' Remuneration

1. According to the Article 13.4 of the Seventh M&A:

”Upon the final settlement of the Company’s accounts, if there is “surplus profit” (as defined below), the Company shall set aside no less than five per cent (5%) as compensation to employees (“**Employees' Compensations**”) and Employees’ Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than zero point one per cent (0.1%) thereof as remuneration for the Directors (“**Directors' Remuneration**”), “The “surplus profit” referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.”.

2. 2020 Surplus profit:

The calculation is based on the Company’s individual financial statements which is audited by the accountant:

	Currency: NT\$ thousand
Net income before income tax	753,755
Add: Accrued Employees' Compensations	100,000
Accrued Directors' Remuneration	855
surplus profit	<u><u>854,610</u></u>

3. 2020 Employees' Compensations and Directors' Remuneration:

According to the resolutions of 3th meeting of the 3rd Compensation Committee and 5th meeting of the 4rd Board of Directors on March 24, 2021, NT\$ 100,000,000 will be allocated as employees’ compensation and NT\$ 854,610 as director’s remuneration, which account for 11.7% and 0.1% of the profits of 2020, respectively. This is in accordance with the Seventh Amended and Restated Memorandum and Articles of Association. The above amount is issued in cash, and there is no difference between the actual amount of distribution and the estimated amount.

	Currency: NT\$ thousand
Employees' Compensations :	$854,610 \times 11.7\% \doteq 100,000$
Directors' Remuneration :	$854,610 \times 0.1\% \doteq 855$

【 Attachment 5.】 2020 Earnings Distribution Table

ShunSin Technology Holdings Limited

2020 Earnings Distribution Table

Currency : NTD

Items	Amount		Note
	Subtotal	Total	
Accumulated un-appropriated earnings at the beginning of the period		1,188,378,577	
Add:			
2020 net profit after taxes	724,859,392		Attributed to Stockholders of the Company
special reserve	92,229,027		Because the account “Exchange differences on translation of foreign financial statements” is negative, a special reserve of the same amount is provided as required, the balance of the current exchange difference increased from (345,229,367) to (253,000,340), so the current adjustment difference was 92,229,027.
Minus:			
General reserve (10%)	69,912,062		
changes in ownership interests in subsidiaries	25,738,769		
Earnings available for appropriation		1,909,816,165	
Minus:			
Cash Dividends to Shareholders *	440,211,744	440,211,744	NT\$ 4.13 per share
Un-appropriated Earnings		1,469,604,421	

* Cash Dividends : (107,464,800- 876,000) shares × NT\$ 4.13 = 440,211,744
(The cash dividends will be calculated to the nearest NT\$)

Chairman: Hsu, Wen-Yi

CEO: Hsu, Wen-Yi

Finance & Accounting Manager: Wang, Chieh-Min

【 Attachment 6. 】 Policy Governing Share Repurchased and Transferred to Employees in 2020

Policy Governing Share Repurchased and Transferred to Employees in 2020 of ShunSin Technology Holdings Limited

Article 1: In order to motivate employees and enhance their coherence, the Company has formulated Policy Governing Share Repurchase and Transferred to Employees in accordance with Article 28-2-1-1 of the Securities and Exchange Law of the Republic of China and the relevant provisions of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by the FSC. In addition to complying with relevant laws and regulations, the repurchase and transfer of the shares to its employees are subject to the provisions in the Regulations.

Article 2: The shares transferred to employees are common shares, and their rights and obligations are the same as those of other common shares circulated outside, except as otherwise stipulated in relevant laws and regulations.

Article 3: In accordance with the provisions of the Regulations, the shares repurchased may be transferred to employees at once or in stages within five years from the date of the shares repurchased.

Article 4: Any full-time employee of the Company or its subsidiaries who has been on duty for 3 months (including) before the benchmark date of subscription or who has made special contributions to the Company and who has been approved by the Chairman of the Board of Directors according to Article 5 hereof and submitted to the Board of Directors for approval, may subscribe for the amount prescribed in Article 5 hereof and be entitled to subscribe.

If an employee leaves the Company or its subsidiaries (including voluntary resignation and dismissal), layoff or suspension with salary during the period from the benchmark date of stock subscription to the deadline for subscription payment, he/she shall be disqualified from subscription. The Chairman of the Board shall contact other employees for subscription.

”Subsidiaries” means subsidiaries (including overseas subsidiaries) in which the Company directly or indirectly holds more than 50% of the voting shares of the same investee Company.

Article 5: 1. The number of shares an employee may subscribe shall be determined on the basis of such criteria as the grade of the employee, his/her years of service and his/her special contribution to the Company, and shall take into account such factors as the total number of shares repurchased by the Company at the benchmark date of share subscription and the upper limit of the number of shares subscribed by a single employee. It shall be evaluated by the supervisors at all levels and submitted to the Chairman for approval.

2. The benchmark date of stock subscription and the period of subscription payment for each

transfer shall be separately determined in accordance with Article 6 of the Regulations.

Article 6: Procedures for the transfer of the repurchased shares to employees:

1. In accordance with the resolution of the Board of Directors, the Company shall announce, declare and buy back its shares within the period of execution.
2. The Board of Directors authorizes the Chairman to set and publicize, in accordance with the Regulations, such operational matters as the benchmark date for stock subscription, the number of shares to be subscribed, the payment period for subscription, the content of rights and restrictions.
3. The subscribed staff list shall be approved by the Chairman and submitted to the Board of Directors for approval. However, managers who meet the charter of the Company's Compensation Committee shall first be examined by the Compensation Committee and then submitted to the Board of Directors for approval.
4. If the employee fails to subscribe or fails to pay the subscription payment upon the expiration of the subscription payment period, the employee shall be deemed to have waived the subscription.
5. After counting the actual number of subscribed shares, the transfer registration of shares shall be carried out.

Article 7: The transfer of the repurchased shares to employees may be made at a transfer price that is higher than the average purchase price, or at a transfer price that is lower than the average purchase price (hereinafter referred to as the "average price"). The calculated transfer price shall be rounded to NT \$.

If 80% of the closing price of the Company's stock is higher than the average price on the day when the Board of Directors decides the employee transfer list, unless otherwise decided by the Board of Directors, the transfer price shall be 80% of the closing price of the stock on the day when the Board of Directors decides the employee transfer list. If 80% of the closing price of the Company's stock is lower than the average price on the day when the Board of Directors decides the employee transfer list, then the average price shall be the transfer price. When the average price is the transfer price, if the number of common shares issued by the Company increases or decreases before the transfer, the transfer price may be adjusted according to the increase or decrease ratio of the number of shares issued.

Transfer Price Adjustment Formula:

The adjusted transfer price = average price × the total number of common shares issued at the time of the reporting of the repurchased shares / the total number of common shares issued before the transfer of repurchased shares to employees

If the Board of Directors, in consideration of the retention of employees and the need of operation and management, decides that the transfer price shall be lower than the average price, it shall submit the transfer price to the most recent shareholders' meeting before the

transfer, which shall be handled with the consent of more than half of the shareholders of the total number of shares issued by the shareholders' meeting and more than two-thirds of the voting rights of shareholders present. In the reasons for the convening of the shareholders' meeting, it shall also list and explain the provisions of article 10 (1) of the Regulations Governing Share Repurchase by exchange-listed and OTC-Listed Companies.

Article 8: Except as otherwise provided herein, the rights and obligations of the repurchased shares transferred to the employees shall be the same as those of the original shares.

Article 9: The Regulations shall come into force upon the adoption of the resolution of the Board of Directors, and may be reported to the Board of Directors for amendment.

Article 10: The Regulations shall be reported on the shareholders' meeting and shall do the same when revised.

【Attachment 7.】 Amendment Comparison Table of the Rules of Procedure for Broad of Directors Meetings

ShunSin Technology Holdings Limited

Amendment Comparison Table of the Rules of Procedure for Broad of Directors Meetings

After Amendments	Before Amendments	Note
<p>Article 7</p> <p>1. Board meetings are convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>(Paragraphs hereunder are omitted)</p>	<p>Article 7</p> <p>1. Meetings of the board of directors shall be called and chaired by the chairperson of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.</p> <p>(Paragraphs hereunder are omitted)</p>	<p>Articles in accordance with the letter Tai-Cheng-Zhi-Li-Tzu No.1090009468 issued on June. 3, 2020 by TWSE.</p>
<p>Article 12</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting :</p> <p>1. The Corporation's business plan.</p> <p>2. Annual financial reports, and financial reports for the second quarter, audited and attested by a certified public accountant (CPA).</p> <p>(Paragraphs hereunder are omitted)</p>	<p>Article 12</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting :</p> <p>1. The Corporation's business plan.</p> <p>2. Annual financial report and financial report for the second quarter, but financial report for the second quarter does not require audit by an independent certified public accountant(CPA), it is not included.</p> <p>(Paragraphs hereunder are omitted)</p>	<p>Articles in accordance with the letter Tai-Cheng-Zhi-Li-Tzu No.1090009468 issued on June. 3, 2020 by TWSE.</p>

【Attachment 8.】 Amendment Comparison Table of the Procedures for Lending Funds to Others

ShunSin Technology Holdings Limited

Amendment Comparison Table of the Procedures for Lending Funds to Others

After Amendments	Before Amendments	Note
<p>Article 6(The foregoing content omitted)</p> <p>4. <u>If the amount of the company's accounts receivable/other receivables/prepayments overdue more than three months and reaches more than 2% of the company's most recent net value of financial statements, the audit committee and BOD should be reported at quarterly on whether the resolution of the audit committee and the board of directors is a lending funds to others nature, and make announcements in accordance with relevant laws and regulations.</u></p> <p>(Paragraphs hereunder areomitted)</p>	<p>Article 6(The foregoing content omitted)</p> <p><u>New</u></p> <p>(Paragraphs hereunder areomitted)</p>	<p>Articles in accordance with Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies on July.24, 2020 by FSC.</p>

【Attachment 9.】 Amendment Comparison Table of the Rules of Procedure for Shareholders Meetings

ShunSin Technology Holdings Limited

Amendment Comparison Table of the Rules of Procedure for Shareholders Meetings

After Amendments	Before Amendments	Note
<p>Article 3(The foregoing content omitted)</p> <p>5. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, <u>Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2</u> of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>(Omitted)</p> <p>6. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors</p>	<p>Article 3(The foregoing content omitted)</p> <p>6. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>(Omitted)</p> <p>6. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. <u>Provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors.</u> When the circumstances of any</p>	<p>Articles in accordance with the letter Tai-Cheng-Zhi-Li-Tzu No.1090009468 issued on June. 3, 2020 by TWSE.</p>

After Amendments	Before Amendments	Note
<p>may exclude it from the agenda. <u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u> (Paragraphs hereunder are omitted)</p>	<p>subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. (Paragraphs hereunder are omitted)</p>	

IV. Appendices

【Appendices 1.】 Seventh Amended and Restated Memorandum and Articles of Association

**THE COMPANIES LAW (2020 Revision)
Company Limited by Shares
SEVENTH AMENDED AND RESTATED MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF**

ShunSin Technology Holdings Limited

訊芯科技控股股份有限公司

(adopted by a Special Resolution passed on June 15, 2020 and effective immediately upon passing of the Special Resolution)

Incorporated on the 8th day of January, 2008

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES LAW (2020 Revision)
Company Limited by Shares
SEVENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF

ShunSin Technology Holdings Limited
訊芯科技控股股份有限公司

(adopted by a Special Resolution passed on June 15, 2020 and effective immediately upon passing of the Special Resolution)

1. The name of the Company is ShunSin Technology Holdings Limited 訊芯科技控股股份有限公司.
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
 - (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.
 - (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
 - (e) To stand surety for or to guarantee, support or secure the performance of all or any or the obligations of any

person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.

- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- 4. Except as prohibited or limited by the Companies Law (2020 Revision), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.
- 5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
- 6. The authorised share capital of the Company is NTD2,000,000,000 divided into 200,000,000 ordinary shares of a par value of NTD10 each with power for the Company, subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, whether original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the powers hereinbefore contained.
- 7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2020 Revision) and, subject to other provisions of the Companies Law (2020 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

**SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF**

ShunSin Technology Holdings Limited

訊芯科技控股股份有限公司

**(Adopted by a Special Resolution passed on June 15, 2020 and effective
immediately upon passing of the Special Resolution)**

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**SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
ShunSin Technology Holdings Limited
訊芯科技控股股份有限公司**
(adopted by a Special Resolution passed on June 15, 2020 and effective immediately
upon passing of the Special Resolution)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Seventh Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Appointed Representative Articles	has the meaning given thereto in Article 34.5; these Articles of Association as altered from time to time;
Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the Law;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	ShunSin Technology Holdings Limited 訊芯科

	技控股股份有限公司;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Dissenting Member	has the meaning given thereto in Article 27.2;
Dividend	means any dividend resolved to be paid on the shares of the Company pursuant to the Articles;
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules;
Joint Operation Contract	a contract between the Company and one or more person(s) or entity(ies) where the parties thereto agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Law (2020 Revision) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such

	person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	<p>a transaction whereby:</p> <p>(a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or new company or any other company, cash or other assets; or</p> <p>(b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;</p>
month	calendar month;
Notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority of the votes cast;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, after the shares are listed on the TSE, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in

	these Articles;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the Company is listed on the TSE,) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Replacement	has the meaning given thereto in Article 34.6;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value NT\$10 each in the Company;
Share Swap	a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel,

	financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;
Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
Treasury Shares	has the meaning given thereto in Article 3.12;
TDCC	means the Taiwan Depository & Clearing Corporation;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in these Articles.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon

in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1** Subject to these Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law and the Applicable Public Company Rules.
- 2.2** Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds 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 authorized capital of the Company.
- 2.3** Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate ten per cent (10%) of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC or TSE for the Company to conduct the aforementioned public offering or otherwise provided by the Applicable Law. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve ten per cent (10%) to fifteen per cent (15%) of such new shares to be issued for subscription by the employees of the Company and its Subsidiaries (the "**Employee Subscription Portion**").
- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3 hereof, after allocation of the Public Offering Portion and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

If any person who has subscribed the new shares (by exercising the aforesaid pre-emptive right of Members or subscribing the Public Offering Portion or the Employee Subscription Portion) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a

period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules

- 2.5** Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, spin-off, Share Swap or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
 - (f) in connection with the issue of shares in accordance with Article 13.7; or
 - (g) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the Members is not required.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2** The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.
- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to a redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the provisions of the Applicable Law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine.
- 3.6** In the event that the Company proposes to purchase any share listed on the TSE pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.
- 3.7** The redemption price may be paid in any manner authorised by Article 15.1.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty 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 banks holding "A" licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.10** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.11** No share may be redeemed unless it is fully paid-up.
- 3.12** Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares ("**Treasury Shares**") at the discretion of the Directors.
- 3.13** 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 of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of Members 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.

3.15 After the Company purchases the shares listed on the TSE, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporaneous motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two (2) years.

3.16 Subject to Article 3.15 and the Applicable Public Company Rules, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

Subject to Article 2.1, the Memorandum and these Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such Dividends as recommended by the Board and approved by the Members at general meeting;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

5.1 Shares of the Company shall be issued in uncertificated/scrupless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

5.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

5.3 Share may not be issued in bearer form.

- 5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scriptless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer within thirty (30) days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

6. Preferred Shares

- 6.1** Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "Preferred Shares"), and cause the rights and obligations of Preferred Shares to be set forth in these Articles.
- 6.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) the order of priority and fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
 - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
 - (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are listed on the TSE, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not listed on the TSE, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

- 9.1 Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2 All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3 The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled to a share shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
• (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s), and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assignees, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [] day of [], 201[]

Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

- 10.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

11. Power to Alter Capital

- 11.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to increase its authorized share capital by new shares of such amount as it thinks expedient.
- 11.2** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; or
 - (b) convert all or any of its paid up shares into stock, and reconvert that stock into paid-up shares of any denomination; or
 - (c) subdivide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
 - (d) cancel shares which 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 in such manner as permitted by Applicable Law.
- 11.3** Subject to the Law and the Articles, the Company may from time to time by Special Resolution:
- (a) change its name;
 - (b) alter or add to the Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
 - (d) reduce its share capital and any capital redemption reserve fund.

- 11.4** Subject to the Law, Article 11.5 and Article 11.6, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution:
- (a) effecting any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
 - (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or spin-off of the Company;
 - (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (d) the transferring of the whole or any essential part of the business or assets of the Company; or
 - (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.
- 11.5** Subject to the Law, the Company may be wound up voluntarily:
- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
 - (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.
- 11.6** For so long as the shares are listed on the TSE, if the Company proposes to undertake:
- (a) a merger or consolidation which will result in the Company being dissolved;
 - (b) a sale, transfer or assignment of all of the Company's businesses and assets;
 - (c) a Share swap; or
 - (d) Spin off,
- which would result in the termination of the Company's listing on the TSE, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted or who pays cash or uses its assets as the consideration in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the TSE or Taipei Exchange, then in addition to any requirements to be satisfied under the Law, such action shall be first approved by a resolution passed by Members holding two-thirds or more of the votes of the total number of issued shares of the Company.
- 11.7** Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with the Applicable Public Company Rules; provided that, for issuance of straight corporate bonds by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board and such issuance can be in a single or a series of tranches to take place within one year from the date of the resolution of the Board in accordance with the Applicable Public Company Rules.
- 11.8** Subject to the Law, the Company may by Supermajority Resolution, distribute its Capital Reserve, in whole or in part, by issuing new Shares which shall be distributed as bonus shares to its original Members in proportion to the number of Shares being held by each of them or by cash.

12. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not

the Company is being wound-up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of the class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares. 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 varied by the creation or issue of further shares ranking *pari passu* therewith. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

13. Dividends

- 13.1** The Board may, subject to these Articles and any direction of the Company in general meeting, declare a Dividend to be paid to the Members in proportion to the number of shares held by them, and such Dividend may be paid in cash, shares or, subject to Article 13.2, wholly or partly in specie. No unpaid Dividend shall bear interest as against the Company.
- 13.2** Subject to the provisions of Article 13.1 hereof and approval by Members by way of Ordinary Resolution, the Directors may determine that a Dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any shareholder to whom it is proposed to make a distribution in specie and an assurance on the valuation of the assets for distribution from an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.
- 13.3** Subject to the Applicable Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by, in the case of dividends in the form of cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, or, in the case of dividends in the form of shares as provided in Article 11.4(a), the Board and sanctioned by the Members by a Supermajority Resolution, in general meetings; provided that after the Board approves the distribution of dividend in cash, the Board shall report such distribution in the recent annual general meeting. No Dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all Dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for Dividend as from a particular date, that share shall rank for Dividends accordingly.
- 13.4** Upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no less than five per cent (5%) as compensation to employees ("**Employees' Compensations**") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than zero point one per cent (0.1%) thereof as remuneration for the Directors ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of

the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The “surplus profit” referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.

13.5 In determining the Company's dividend policy, the Board recognises that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. In determining the amount, if any, of the Dividend or other distribution it recommends to Members for approval in any financial year, the Board:

- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
- (b) shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as a general reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.

13.6 Subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 13.4 and such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.5, the Board shall recommend to distribute no less than ten per cent (10%) of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as Dividend to the Members.

13.7 Dividends to the Members and the Employees' Compensation may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than fifty per cent (50%) of the total amount of such Dividend shall be paid in cash. No unpaid Dividend and compensation shall bear interest as against the Company.

13.8 The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution.

13.9 For the purpose of determining Members entitled to receive payment of any Dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14. Capital Reserve and Power to Set Aside Profits

14.1 The Board may, before declaring a Dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing Dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept

separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

- 14.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

15. Method of Payment

- 15.1** Any Dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.
- 15.2** In the case of joint holders of shares, any Dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the holder may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any Dividend paid in respect of such shares.

16. Capitalisation

Subject to the Law and Article 11.4(a), the Board may capitalise any sum for the time being standing to the credit of the Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

17. Annual General Meetings

- 17.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall call all annual general meetings.
- 17.2** The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TSE thereof within two (2) days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

18. Extraordinary General Meetings

- 18.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 18.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable, and the Board shall on a Member's requisition as defined in Article 18.3 forthwith proceed to convene an extraordinary general meeting of the Company.

- 18.3** A Member's requisition set forth in Article 18.2 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 18.4** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.
- 18.5** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TSE for its prior approval.
- 18.6** Any one or more Member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold in aggregate more than half of the total number of the total issued Shares of the Company for a continuous period of no less than three months. The number of the Shares held by a Member and the period of which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.
- 18.7** If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director may convene a general meeting when necessary.

19. Notice

- 19.1** At least thirty (30) days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 19.2** At least fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with the Applicable Public Company Rules and close its Register of Members accordingly in accordance with the Applicable Public Company Rules.
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 19.1 and Article 19.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with the Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 19.1 and Article 19.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in a

manner consistent with the Applicable Public Company Rules twenty-one (21) days prior to the general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such meeting.

19.6 The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the Shares,
- (e) (i) dissolution, Merger, Share Swap or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16,
- (h) making distributions of new shares or cash out of the Statutory Reserve and the Capital Reserve to its Members, and
- (i) Private Placement of any equity-related securities to be issued by the Company.

The major contents of the above matters can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.

19.7 The Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review, transcribe or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.

19.8 The Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

19.9 If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any Applicable Law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members.

20. Giving Notice

20.1 Any Notice or document, whether or not to be given or issued under these Articles from the Company to a Member, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or to the extent permitted by the Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

20.2 Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service, or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

This Article shall apply *mutatis mutandis* to the service of any document by a Member on the Company under these Articles.

21. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

22. Quorum and Proceedings at General Meetings

22.1 No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

22.2 The Board shall submit business reports, financial statements and proposals for distribution of

profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.

- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote at the meeting shall be decided by a show of hands.
- 22.4** If and to the extent permitted under the Cayman Islands law, nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within thirty (30) days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 22.6** Member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or by electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by the Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. The Board shall include such proposal in the agenda of the annual general meeting unless (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.

23. Chairman to Preside

Unless otherwise agreed by a majority of the Members attending and entitled to vote thereat, the Chairman, shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

24. Voting on Resolutions

- 24.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. If a Member holds shares for the benefit of others, such Member needs not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of the shares he holds for himself and he may exercise his voting power separately. The qualifications, scope, methods of exercise, operating procedures and other matters in respect of exercising voting power separately shall comply with the Applicable Public Company Rules.
- 24.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the

holders of a class of shares unless he is registered as a Member on the record date for such meeting.

- 24.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 24.4** The Board may determine that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission; provided, however, if a general meeting is to be held outside the ROC or pursuant to the Applicable Public Company Rules, the Company is obligated to provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporaneous matters or amendment to resolution(s) proposed at the general meeting.
- 24.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 24.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 24.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.
- 24.6** A Member who has served the Company with his voting decision in accordance with Article 24.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

25. Proxies

- 25.1** The instrument of proxy shall be in the form approved by the Board from time to time 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 Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

- 25.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 25.3** Subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affairs agent approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 24.4, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.
- 25.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 24.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

26. Proxy Solicitation

For so long as the shares are listed on the TSE, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

27. Dissenting Member's Appraisal Right

- 27.1** Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:
- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
 - (c) the Company acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.
 - (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or

- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

27.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 27.1 (the "Dissenting Member") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety (90)-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

27.3 Without prejudice to the Law, if, within sixty (60) days from the date of the resolution of the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's shares, then, within thirty (30) days immediately following the date of the expiry of such sixty (60)-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the shares held by all the Dissenting Members. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

Notwithstanding the above provisions under this Article 27, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a merger or consolidation.

28. Shares that May Not be Voted

28.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital;

shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

28.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

28.3 If the number of shares pledged by a Director at any time amounts to more than fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a

general meeting but shall be counted towards the quorum of the general meeting.

29. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

30. Representation of Corporate Member

30.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or such non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

30.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

31. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Articles.

32. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

33. Number and Term of Office of Directors

33.1 There shall be a Board consisting of no less than five (5) and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.

33.2 Unless otherwise approved by the FSC, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.

33.3 In the event that the Company convenes a general meeting for the election of Directors and any

of the Directors elected does not meet the requirements provided in Article 33.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 33.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation.

33.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.

33.5 The Directors (including Independent Directors and Directors other than Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.

34. Election of Directors

34.1 The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.

34.2 The election of Independent Directors and non-independent Directors shall be held together and the Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as “**Cumulative Voting**”) in the following manner:

- (i) the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
- (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more Independent Director or non-independent Director candidates;
- (iii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
- (iv) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.

34.3 If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.

- 34.4** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 34.5** Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "**Appointed Representative**"). The election of an Appointed Representative as a Director is subject to the approval of Members in accordance with the provisions of this Article 34.
- 34.6** Where the Appointed Representative has been elected as a Director of the Company, the corporation (or other legal entity) which is a Member which has appointed the Appointed Representative to be elected as a Director, may at any time, serve notice on the Company giving notice to replace the Appointed Representative with another person. Such replacement of the Appointed Representative as a Director (the "**Replacement**") shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company, and will not require any shareholders' approval. Accordingly, Articles 34.1, 34.2 and 34.5 do not apply in respect of the Replacement.

35. Removal of Directors

- 35.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the current Directors, the Members may at a general meeting re-elect all Directors, whose vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence their office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under the Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

36. Vacation of Office of Director

- 36.1** The office of Director shall be vacated if:
- (a) the Director is removed from office pursuant to Article 35.1;
 - (b) the corporation (or other legal entity) which appointed an Appointed Representative, serves notice on the Company giving notice to remove such Appointed Representative from the office of Director, such removal shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company;
 - (c) the Director dies;

- (d) the Director is automatically discharged from his office in accordance with Article 33.3;
- (e) the Director resigns his office by notice in writing to the Company;
- (f) if the Director is the subject of a court order for his removal in accordance with Article 35.2; or
- (g) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with such Director, and such Director has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to the Applicable Law;
 - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
 - (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five (5) years, or (D) was pardoned for less than five (5) years;
 - (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one (1) year by a final judgement, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two (2) years;
 - (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act during the time of his public service, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two (2) years; or
 - (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 36.1(g) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

36.2 In case a Director (other than an Independent Director) that has, during the term of office as a Director (other than an Independent Director), transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

36.3 If any Director (other than an Independent Director) has, after having been elected and before his/her inauguration of the office of director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.

37. Compensation of Directors

- 37.1** The Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.
- 37.2** The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 37.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

38. Defect in Election of Director

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director.

39. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

40. Powers of the Board of Directors

Without limiting the generality of Article 39, the Board may subject to Article 11.4:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

41. Register of Directors and Officers

41.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

41.2 The Board shall, within the period of thirty (30) days from the occurrence of:

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

42. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

43. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

44. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

45. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

46. Conflicts of Interest

- 46.1** Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 46.1 shall not apply to Independent Directors.
- 46.2** A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Applicable Law.
- 46.3** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.
- 46.4** Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.
- 46.5** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law.

47. Indemnification and Exculpation of Directors and Officers

- 47.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed

duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons and shall not relieve their duties provided under Article 47.4.

47.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

47.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six (6) months or longer may:

- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
- (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors;

within thirty (30) days after the Member(s) having made the request under the preceding clause (a) or (b), if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition, to the extent permitted under the laws of the Cayman Islands, such Member(s) may file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors.

47.4 Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, a Director shall assume fiduciary duty to the Company and without limitation, shall exercise due care of a good administrator in conducting the business operation of the Company. A Director shall be liable to the Company if he has acted contrary to the above. In case such action is made for himself or on behalf of another person in violation of the provisions above, the Company may, with the sanction of an Ordinary Resolution, demand the Director to pay to the Company any profit so realized by the Director as a consequence of his breaching the duties described in the preceding sentences and as if such misconduct is done for the benefit of the Company. If a Director and/or an Officer of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he shall be liable, jointly and severally with the Company, for the damage to such other person.

MEETINGS OF THE BOARD OF DIRECTORS

48. Board Meetings

Subject to the Applicable Public Company Rules, the Chairman may call a meeting of the Board and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. The Company shall hold, or cause to be held, regular meetings of the Board at least on a quarterly basis to review the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring approval of the Board as stipulated herein. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

49. Notice of Board Meetings

The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, to the extent permitted by the Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

50. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

51. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors. Any of the Directors may appoint another Director to represent him at any meeting of the Board if such Director is unable to do so in person for any cause. If a Director appoints a proxy then for all purposes the presence or vote of the proxy shall be deemed to be that of the appointing Director. The appointed Director may only act as the proxy of one Director only.

52. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

53. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

54. Validity of Prior Acts of the Board

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

55. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

56. Register of Mortgages and Charges

56.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

56.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

57. Form and Use of Seal

57.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

57.2 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

57.3 The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be used.

TENDER OFFER AND ACCOUNTS

58. Tender Offer

Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.

- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

59. Books of Account

- 59.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
 - (b) all sales and purchases of goods by the Company; and
 - (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

- 59.2** Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- 59.3** The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

60. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in a general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an Ordinary Resolution prescribe or allow any financial year to be longer than eighteen months.

AUDIT COMMITTEE

61. Number of Committee Members

The Company shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). One 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 of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.

62. Powers of Audit Committee

- 62.1** The Audit Committee shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:
- (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,

- extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

- 62.2** Subject to compliance with the Law, before the meeting of the Directors resolves any matter specified in Article 27.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of the Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by Taiwan securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

VOLUNTARY WINDING-UP AND DISSOLUTION

63. Winding-Up

- 63.1** The Company may be voluntarily wound-up in accordance with Article 11.5.
- 63.2** If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in 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 Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

64. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by Special Resolution, alter or add to its Articles.

REDUCTION OF SHARE CAPITAL

65. Reduction of Share Capital

The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law and the Applicable Public Company Rules. Any such reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Public Company Rules.

66. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

67. Appointment of Litigious and Non-litigious Agent

For so long as the shares are listed on the TSE, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the ROC Securities and Exchange Law to handle matters stipulated in the ROC Securities and Exchange Law and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be a person who has a residence or domicile in the ROC.

OTHERS

68. Corporate Social Responsibilities

In the course of conducting its business, the Company shall comply with the laws and regulations and business ethics and may take actions which will promote public interests in order to fulfil its social responsibilities.

【Appendices 2.】 Shareholdings of All Directors

ShunSin Technology Holdings Limited

Shareholdings of All Directors

1. The Paid-in Capital of the Company is NT\$1,074,648,000, the number of outstanding shares issued is 107,464,800 shares and the number of treasure shares is 876,000 shares..
2. Because the Company has an Audit Committee, there is no supervisor. Up to the date the suspension of register of this regular shareholder's meeting, the actual number of shares held by all directors is 63,964,800 shares, accounting for 59.52% of the total number of shares issued by the Company.
3. The Company is not subject to article 26 of the Securities and Exchange Act.

Date : 2021/4/25

Title	Name	Current shareholding
Chairman	Foxconn (Far East) Limited Representative:Hsu, Wen-Yi	63,964,800
Director	Foxconn (Far East) Limited Representative:HO, Chia-Hua	63,964,800
Director	Foxconn (Far East) Limited Representative:Yu, Che-Hung	63,964,800
Director	Mou, Chung-Hsin	-
Independent Director	Chiu, Huang Chuan	-
Independent Director	Ting, Hung-Hsun	-
Independent Director	Lin, Ying-Shan	-
Total		63,964,800

【Appendices 3.】 Rules of Procedures of Shareholders' Meeting



ShunSin Technology Holdings Limited

Rules of Procedures of Shareholders' Meeting

June 15,2020 Second Edition

ShunSin Technology Holdings Limited
(the "Company")
Rules of Procedures of Shareholders' Meeting
(these "Rules")

June 15,2020 Second Edition

Article 1. Basis

The Company has referenced to these Rules for compliance with Article 5 of the Taiwan Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to establish a sound shareholder's meeting governance system and strengthen the supervisory and management functions.

Article 2. Scope

After becoming a public Company in the R.O.C., the procedures of the shareholders' meetings of the Company ("Shareholders' Meetings") shall be conducted in accordance with these Rules, including the agenda, operational procedures for the Shareholders' Meetings, items to be set forth in the minutes, public announcements and other matters to be complied with.

Article 3. Convention

1. A Shareholders' Meeting shall be convened by the board of directors of the Company ("Board") unless otherwise provided by applicable laws or regulations.
2. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

3. The notice or announcement shall set forth therein the reasons for the meeting. The notice may be given by electronic transmission with the consent of the recipient thereof.
4. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for suspension of public offering, director's competitive license, transfer of surplus to capital increase, transfer of reserve to capital increase, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act (R.O.C.) ("Company Act"), the main contents thereof shall be stated in the notice of the reasons for convening the shareholders meeting and shall not be proposed in an extraordinary motion; the main contents may be placed on the website designated by the securities regulatory authority or the Company, and the website address shall be specified in the notice.
5. The cause for convening the shareholders' meeting has specified the general re-election of the board of directors and the date of their appointment; after completing the re-election, the same meeting shall not change the date of the appointment by provisional motion or other means.
6. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the shareholder proposal is a proposal to urge the Company to promote the public interest or fulfill its social responsibility, the board of director should still include the proposal in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
7. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce the details of the submissions including proposals will be accepted in written or electronic form, the location and time period for their submissions; the period for submission of shareholder proposals may not be less than 10 days.
8. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

9. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4. Proxy

1. A shareholder may appoint a proxy to attend the Shareholders' Meeting on his behalf by executing a proxy instrument prepared by the Company stating therein the scope of appointment in the proxy.
2. A shareholder may only appoint one proxy under one instrument to attend the Shareholders' Meeting, and shall serve such written proxy to the Company no later than five days prior to the meeting date. In cases where the Company receives multiple proxies from one 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.
3. After the service of the proxy instrument on the Company, if the shareholder issuing the said proxy intends to attend the Shareholders' Meeting in person, a revocation notice shall be served on the Company in writing at least one day prior to the date of the Shareholders' Meeting, otherwise, the voting power exercised by the proxy at the meeting shall remain valid.

Article 5. General Restrictions on Meeting Place and Time

The Shareholders' Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend and commence no earlier than 9:00 in the morning and no later than 3:00 in the afternoon. The election of Shareholders' Meeting place and time shall take full consideration of independent directors' opinions.

Article 6. Attendance Book and Proxies

1. The Company shall state the time for shareholders' registration, the place of the meeting reception and other necessary instructions in the notice of Shareholders' Meeting.
2. The time for registration mentioned in the preceding paragraph shall start thirty minutes before the commencement of the Shareholders' Meeting. There shall be clear direction to show the place of the meeting reception and the Company shall arrange sufficient and qualified persons to assist shareholders with the registration.

3. A shareholder, whether attending in person or by proxy, shall present the attendance card, attendance signing card or other attendance certificate to attend the Shareholders' Meeting. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. A proxy solicitor shall present other related documents to verify his identity.
4. The Company shall prepare an attendance book for shareholders to sign in. Attending shareholder may also hand in an attendance card in lieu of signing on the attendance book.
5. The Company shall prepare and make available to the attending shareholder the agenda handbooks, annual reports, attendance cards, speech note, voting cards and other relevant meeting materials. If a director is to be elected at the Shareholders' Meeting, the ballots shall also be attached to the said materials.
6. If the shareholder is a government agency or a juristic person, more than one representative thereof may attend the Shareholders' Meeting. However, if a juristic person is authorized to attend the Shareholders' Meeting on behalf of another shareholder, only one representative of such juristic person may attend the meeting.

Article 7. Chairperson of Shareholders' Meetings and Substitute

1. If a Shareholders' Meeting is convened by the Board, such meeting shall be chaired by the Chairman of the Board. In case where the Chairman of the Board is on leave or for any reason is unable to exercise the powers of the Chairman, the vice chairman shall do so in place of the Chairman, or, if there is no vice chairman or the vice chairman is also on leave or for any reason is unable to act, by a managing director designated by the Chairman, or, if there is no managing director, by a director designated thereby, or, if the Chairman does not make such a designation, by a managing director or director elected by and from among themselves.
2. If the Shareholders' Meeting is chaired by a managing director or a director in accordance with the preceding paragraph, such Shareholders' Meeting shall be chaired by a managing director or a director who has acted as a director of the Company for more than six months and understands the business and financial condition of the Company. This provision shall also apply when the chairman of the Shareholders' Meeting is the representative of a corporate director.
3. In case a Shareholders' Meeting is convened by the Board of Directors, the Chairman shall preside over the meeting in person, and more than half of

the directors of the Board of Directors, at least one independent director shall attend the meeting in person, and at least one representative of all members of the functional committee shall attend the meeting, and the attendance shall be recorded in the minutes of the shareholders' meeting.

4. Where a Shareholders' Meeting is convened by any person entitled to call the meeting other than the Board, such meeting shall be chaired by the person so entitled or, if there are two or more persons so entitled to call the meeting, they shall choose one person from among themselves to chair the meeting.
5. The Company may appoint designated lawyers, CPAs, or other related persons to attend the Shareholders' Meeting.

Article 8. Audio or Video Recording of Shareholders' Meeting Process

1. The Company shall, commencing from the time of accepting shareholders' registration, make audio and video recording of the entire process of the shareholder registration, the Shareholders' Meeting, voting by shareholders and counting of votes.
2. The recording mentioned in the preceding paragraph shall be preserved for at least one year provided that if any shareholder files a litigation in accordance with Article 189 of the Company Act, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Article 9. Attendance and Voting at Shareholders' Meeting

1. The attendance of a shareholder shall be calculated based on the shares he holds. The number of shares present at the meeting shall equal the aggregate of shares held by the shareholders having signed in the attendance book or having submitted their attendance cards, and shares that shareholders having exercised their voting rights in writing or electronic form.
2. At the scheduled time for a Shareholders' Meeting, the chairperson shall announce the commencement of the meeting provided that if the number of shares represented by the shareholders present at the meeting fails to exceed half of the outstanding shares of the Company, the chairperson may announce that the meeting is postponed. The postponements shall be limited to twice, which shall not last for more than one hour. If, after two such delays, the number of shares represented by the shareholders present at the meeting still fails to reach one-third of the outstanding shares of the Company, the chairperson shall announce to abandon the meeting.
3. If, after two such delays as provided in the preceding paragraph, the number of shares represented by the Shareholders present at the meeting still fails to

meet the quorum but reaches one-third of the outstanding shares of the Company, a provisional resolution may be passed at such meeting pursuant to paragraph 1 of Article 175 of the Company Act and another Shareholders' Meeting may be reconvened in one month by giving a notice to each shareholder of the provisional resolution.

4. If, before the Shareholders' Meeting is closed, the number of shares represented by the shareholders present at the meeting reaches one-half of the outstanding shares of the Company, the chairperson may propose the shareholders to vote on the provisional resolution passed pursuant to the preceding paragraph in accordance with Article 174 of the Company Act.

Article 10. Convention and Agenda of Shareholders' Meetings

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The relevant proposals (including extraordinary motions and amendments to original motions) shall be voted on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The preceding paragraph shall apply mutatis mutandis to cases where a Shareholders' Meeting is convened by any person entitled to call the meeting other than the Board.
3. Before the procedure set forth in the agenda prepared pursuant to the preceding two paragraphs (including the extemporaneous motions) has been completely ended, the chairperson may not adjourn the meeting unless otherwise resolved at such meeting. In the event that the chairperson adjourns the meeting in violation of these Rules, other members of the Board shall immediately assist the shareholders in designating one person as chairperson to continue the meeting by a majority of votes represented by the attending shareholders.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote and arrange a proper voting time.

Article 11. Speech of Shareholders

1. When a shareholder present at the Shareholders' Meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the

name of the shareholder. The sequence of speeches by shareholders should be decided by the chairperson.

2. If any shareholder present at the Shareholders' Meeting submits a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.
3. Unless otherwise permitted by the chairperson, each shareholder shall not, for each item for discussion, speak more than two times (each time not exceeding five minutes). In case the speech of any shareholder violates these Rules or exceeds the scope of the item for current discussion, the chairperson may stop the shareholder from continuing delivering the speech.
4. Unless otherwise permitted by the chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, or the chairperson shall stop such interruption.
5. If a juristic shareholder designates two or more representatives to attend the Shareholders' Meeting, only one representative can speak for each item for discussion.
6. After the speech of a shareholder, the chairperson may respond by himself or appoint an appropriate person to respond.

Article 12. Voting Shares

1. The number of votes a shareholder is entitled to shall be calculated based on the shares he holds.
2. The shares held by a shareholder prohibited from exercising voting rights shall not be included when calculating the outstanding shares of the Company in respect to a resolution at the Shareholders' Meeting.
3. A shareholder who has a personal interest in any motion discussed at the Shareholders' Meeting, which interest maybe in conflict with and impair those of the Company, the shareholder shall not participate in voting on that agenda item, and shall not act as proxy of another Shareholder to exercise voting rights on that matter.
4. Those shares held by a shareholder prohibited from exercising voting rights under preceding paragraph shall not be counted in determining the number of votes represented by the Shareholders present at the said meeting.
5. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of votes represented by him/her shall not exceed

3% of the total number of voting shares of the Company; otherwise, the portion of excessive votes shall not be counted.

Article 13. Exercise of Voting Rights

1. Each Shareholder shall have one vote for each share he holds except those restricted or prohibited from exercising voting rights pursuant to Paragraph 2 of Article 179 of the Company Act.
2. When this Corporation holds a shareholders meeting, it be exercised electronically and may be exercised in writing. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder who intends to vote in writing or by electronic form shall serve his declaration of such intention on the Company no later than the second day prior to the scheduled meeting date of the Shareholders' Meeting. If two or more declarations are served on the Company, the first declaration shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.
4. In case a shareholder who has exercised his votes in writing or by electronic form intends to attend the Shareholders' Meeting in person, he shall, no later than the second day prior to the meeting date, serve a separate notice of intention in the same manner as the previous voting decision to revoke his previous voting decision made in exercising the votes. In the absence of a timely revocation of the previous voting decision, the votes exercised in writing or by electronic form shall prevail. In case a shareholder has exercised his votes in writing or by electronic form and has also authorized a proxy to attend the Shareholders' Meeting on his behalf, the voting exercised by the proxy for the Shareholder shall prevail.
5. Except otherwise specified in the Company Act or in the Articles of Incorporation of the Company, a resolution shall be passed by a majority of the votes represented by the shareholders present at the Shareholders' Meeting. When voting on each proposal, the chairperson or any person designated thereby shall announce the number of votes represented by the shareholders present at the Shareholders' Meeting and the shareholders shall

vote proposal by proposal. If the Company is listed, the Company shall upload result of shareholders' assents, dissents and abstaining from voting to the Market Observation Post System.

6. If the chairperson puts the matter before all shareholders present at the meeting and none voices an objection to the matter, the matter is deemed approved and have the same effect as a resolution received on a poll. If objection is voiced in response to the chairperson's inquiry, such proposal should be put to vote in accordance with the preceding paragraph. Except those listed in the agenda of the meeting, any other proposals or an amendment or an substitute to an original proposal submitted by a shareholder for resolution may be discussed at such meeting only if another shareholder has seconded such proposal and the votes represented by the proposing and the seconding shareholders have reached 1% of the votes represented by the outstanding voting shares of the Company.
7. If there is an amendment or a substitute to a proposal for resolution, the chairperson shall decide the sequence of voting. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.
8. The persons supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairperson, provided that a person supervising the casting of votes shall be a shareholder.
9. The counting of votes with respect to the shareholders' votes or the election proposals shall be conducted in a public place at the meeting place. The result of voting, including the number of votes counted, shall be announced at the meeting upon completion of the counting of votes, and recorded in the meeting minutes.

Article 14. Election of Directors

1. Where any Director is to be elected at the Shareholders' Meeting, the election shall be conducted in accordance with the relevant rules promulgated by the Company and the results thereof, including names of the elected directors and the votes that such elected directors obtain, shall be announced at the meeting.
2. The ballots in respect of the election provided in the preceding paragraph shall be sealed and signed by the person supervising the casting of votes, and be well preserved for at least one year provided that if any shareholder files a litigation in accordance with Article 189 of the Company Act, the relevant ballots shall continue to be preserved until the litigation is concluded.

Article 15. Minutes of Shareholders' Meeting

1. Discussions and resolution at every Shareholders' Meeting shall be recorded in the meeting minutes and the minutes shall bear the signature or seal of the chairperson. A copy of the minutes shall be distributed to each shareholder within 20 days after the meeting, and the production and distribution of the meeting minutes may be done in electronic form
2. The distribution of the meeting minutes as provided in the preceding paragraph may be replaced by a public announcement made in the Market Observation Post System after the Company is listed.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the statistical weight number); when a director is elected, the voting weight of each candidate shall be disclosed. During the Company's existence, these records shall be permanently preserved.

Article 16. Public Information

1. The Company shall explicitly disclose on the meeting date in the meeting place the numbers of shares which a proxy solicitor and an agent represents in the form and manner required by the applicable rules.
2. If the matters resolved by a Shareholders' Meeting are categorized as "Material Information" pursuant to the applicable laws or regulations of the jurisdiction where the Company is listed or the rules of the Taiwan Stock Exchange, the Company shall, after been listed, upload the contents of such resolution to the Market Observation Post System within the prescribed time.

Article 17. Meeting Affairs Staff of Shareholders' Meeting

1. The staff in charge of the administrative affairs at the Shareholders' Meeting shall wear a badge or an identification card.
2. The chairperson may direct disciplinary personnel or security personnel to maintain the order of the meeting and when doing so, such personnel shall wear a badge or an identification card.
3. If public address equipment is available at the meeting place, the chairperson may stop a shareholder's speech when such speech is not given by means of the said equipment provide by the Company.
4. In case where a shareholder violates any of these Rules, ignores the chairperson's correction and interrupts the procedure of the meeting without following the order to stop, the chairperson may instruct the disciplinary

personnel or the security personnel to expel such shareholder from the meeting place.

Article 18. Break and Suspension of Shareholders' Meeting

1. During the Shareholders' Meeting, the chairperson may announce a break for a period of time in his sole discretion. In any event of force majeure, the chairperson may decide to suspend the meeting and announce the time when the meeting is to be continued depending on the actual situation.
2. If the meeting place becomes unavailable for use before the procedure set forth in the agenda (including the extraordinary motions) has been completely ended, it may be resolved by the attending shareholders to continue the meeting at another place.
3. A Shareholders' Meeting may resolve to postpone the meeting for no more than, or to reconvene the meeting within, five days pursuant to Article 182 of the Company Act.

Article 19. Effective Date and Amendment

These Rules and any revision thereof shall take effect upon resolution by the Shareholders' Meeting.