

AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED

2020 Annual Shareholders' Meeting

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AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED

2020 Annual Shareholders' Meeting Procedure

I.

II.

III.

IV.

V.

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VII.

AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED
2020 Shareholders' Meeting Agenda

I.

II.

III.

(I)

(II)

(III)

(IV)

IV.

(I)

(II)

V.

(I)

(II)

(III)

(IV)

(V)

(VI)

VIII.

IX.

Note: (I)

(II)

Unit: NT\$

Item	Amount to be allocated by the Board Meeting	Ratio in profit
Employee's remuneration	17,416,618	5%
Directors' remuneration	3,483,324	1%
Total	20,899,942	6%

Note: I.

II.

Note: I.

II. This year, it is estimated on the ex-dividend record date that the cash dividend will be NT\$109,480,510 with estimated amount of NT\$0.8 per share, while the stock dividend will be NT\$27,370,130 with estimated amount of NT\$ 0.2 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income. It is proposed the Board of Directors be authorized to determine the record date and the payment date that the cash and stock dividends will be distributed.

III.

Note: I.

II.

III.

IV.

V.

Note: I.

II. Please refer to #page 24-25# of this manual for The Comparison Table of Amendments (Attachment V).

III. Submitted for resolution.

The amendments to the Regulations Governing the Management of Endorsement and Guarantee were submitted for discussion.

II. Please refer to #page 26# of this manual for The Comparison Table of Amendments (Attachment VI).

III. Submitted for resolution.

Note: I.

- II. Please refer to #page 27-41# of this manual for The Comparison Table of Amendments (Attachment VII).
- III. Submitted for special resolution.

Note: I.

- II. Please refer to #page 42# of this manual for The Comparison Table of Amendments (Attachment VIII).
- III. Submitted for resolution.

Note: I.

- II. Please refer to #page 43-46# of this manual for The Comparison Table of Amendments (Attachment IX).
 - III. Submitted for resolution.
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Attachment I. Operating Report

Chapter 1. Letter to Shareholders

I. Foreword

II. 2019 Operating Results

(I)

Unit: thousand NT\$

Item	2019 Audit	2018 Audit	Growth Rate
Consolidated operating revenue	10,142,781	10,614,940	(4.45)%
Consolidated operating profit	1,972,712	1,809,931	8.99%
Consolidated net profit	289,876	68,437	323.57%
Consolidated net non-operating income (expense)	32,948	3,830	760.26%
Consolidated net profit before tax	322,824	72,267	346.71%
Income tax expense	65,665	90,350	(27.32)%
Consolidated total profit and loss	257,159	(18,083)	1522.10%

(II) Financial income & expenditures and profitability

(III) Annual research and technological developments

1. Annual research and technological development results

- (1) Development of diagnosis and treatment tables
- (2) Development of (five-in-one) integrated ceiling exhaust fan products with Bluetooth remote control
- (3) Development of window-type air conditioners; application expansion of compressor product series
- (4) Development of integrated fan with control PCB and motor integration
- (5) Development of head controls with 433 MHz wireless remote control
- (6) Development of quilt dryer
- (7) Development of large-volume humidifying plate evaporative humidifier
- (8) Application of electrolytic water sterilization technology to humidifiers
- (9) Development of one-piece baseboard electric heater
- (10) Development of tower heating coil electric heater
- (11) Development of graphene baseboard electric heater
- (12) Development of external rotor DC motor

2. Future

- (1)
 - A. Continue to develop various sterilization functions for new air systems and integrated ceiling exhaust fan products.
 - B. Expand the compressor product line of small air conditioners and dehumidifiers in the domestic market, and add models to suit the needs

of different venues.

- C. Continue to develop new heat insulation & anti-scalding materials, as well as processes, for electric heaters.
 - D. Application of low wind resistance and high-efficiency screening program to circulating fans.
 - E. Continue to expand development of stator-wound motors and applications research for cooling fans.
 - F. Development of high-efficiency air cleaners and rotary fans.
 - G. Development of high-speed entrance fans.
- (2) Long-term business development plans
- A. Development of household appliances for cleanliness and health (antimicrobial and sterilization).
 - B. Development of medical product series.
 - C. The Company plans to research the application of smart home appliance sensors and human-computer interaction (voice control).
 - D. Developing a variety of combination air processors (cooling, heating, sterilizing and humidifying).
 - E. Development of DIY fresh air products.

III. Operating plan overview of the year

1. Taking the branding in the Chinese market as the core policy, constructing an enterprise with competitiveness and core values to assure advantages in quality and volume, and strengthening the successful cooperation among Airmate, suppliers, and customers.
2. Continue to push forward the localization of employment for companies, build Group enterprise management patterns, devote to company product popularization and continuous development of new products, improvement of production technology, continuous improvement in automated production lines, and reasonable control over expense and cost, to realize operation profits.
3. Enhance harmonious labor relations, create the greatest profits for employees and shareholders, and fulfill corporate social responsibility.

(II) Sales volume forecast and the basis

The main markets of the Company's re-invested subsidiaries are mainland China, Northeast Asia, Europe, and America. Therefore, the estimated annual sales volume is primarily based on the relevant statistics of local industries, information feedback from key customers, and judgment of future market supply and demand. In general, the business volume and amount of small household appliances industry will continue to grow steadily in the future.

(III) Significant Sales and Production Policies

1. Export sales

Steadily promote sales growth for the two seasons in Japan, Korea, Europe, and the US. Actively develop new customers and open new markets in

Southeast Asia. At the same time, assist customers to develop new products and expand into Taiwan, China, and Thailand markets.

Develop and promote multi-functional products for small household appliances.

Build a one-stop export model, and strive for OEM orders.

2. Offline

Integration

Focus

Deep

3. Online

Multi

Utilize

Online

IV. The Company's future development strategy

The Company and its re-invested subsidiaries will continue to pay close attention to industry developments; develop high gross profit products; carry out new technology research, development, and modification; and pursue win-win-win cooperation with suppliers and customers. We will strengthen brand power and customer loyalty while actively responding to potential market and end customer demand. By quickly reacting to market changes, we will gain new markets and new customers. Achieving promotion and recognition for new products within the smart small home appliance market will create an ecological closed-loop effect.

V. The effect of external competition, the legal environment, and the overall business environment

(I) Impact from external competitive environment

(II)

(III)

Airmate (Cayman) International Co Limited

Attachment II. Audit Report by Audit Committee

Audit Report by Audit Committee

The Audit Committee has consented the Company's 2019 Consolidated Financial Statements approved by the Board of Directors have been audited by KPMG Taiwan appointed by the Board of Directors, and a standard unqualified opinion audit report has been issued thereof.

The Audit Committee is accountable for overseeing the financial Statements.

The Company's 2019 Consolidated Financial Statements have been audited by the CPAs, who have communicated with the Audit Committee regarding the following matters:

1. There was no significant discovery concerning the audit by the CPAs within the planned audit scope and time period.
2. The CPAs have provided the Audit Committee a declaration of independence where the personnel from the accounting firm are in compliance with the independence norms of CPAs code of professional ethics. Relations and other items that may be considered to affect the independence of the CPAs have not been found.
3. In the communication with the CPAs regarding key audit items, the Audit Committee found no key audit items that have the need to be communicated in the audit report.

The Company's 2019 Consolidated Financial Statements consented by the Audit Committee and approved by the Board of Directors are in compliance with the relevant laws and regulations, and are thereby reported according to the Article 219 of the Company Act.

It is hereby submitted for review.

Sincerely,

2020 General Shareholders' Meeting of Airmate (Cayman) International Co., Ltd.

Audit Committee Convener: FAN, CHIN-HWA

March 12, 2020

**Attachment III. CPA Audit Report and Consolidated Financial Statement
Audit Report by Audit Committee
Independent Auditors' Report**

Audit Opinion

Basis of Audit Opinion

Key Audit Matters

I.

II.

III.

Responsibility of the management and the governing body for the Consolidated Financial Statements

Accountant's responsibility in auditing consolidated financial statement

1.

2.

3.

4.

5.

6.

	2019.12.31		2018.12.31	
	Amount	%	Amount	%
Total assets				
Current Assets				

	2019.12.31		2018.12.31	
	Amount	%	Amount	%
Liability and Shareholder's Equity				
Current Liabilities:				

Total Current Assets _____
Non-current Assets: _____

Total Non-current Assets _____

Total Assets \$ 8,901,016 100 8,366,152 100

	2019		2018	
	Amount	%	Amount	%
Operating Revenue (Note 6 (22), 7)				
Operating Cost (Note 6 (5), 7)				
Gross Profit				
Realized Gross Profit				
Operating expenses:				
Total Operating Expenses				
Operating Profit				
Non-operating Income and Expenses:				
Total Non-operating Income and Expenses				
Net Profit Before Tax				
Less: Income Tax Expense (Note 6 (18))				
Net Income (Loss)				
Other Comprehensive Gain or Loss:				
Items that may not be reclassified subsequently to profit or loss				
Items that may be reclassified subsequently to profit or loss				
Total of items that may be reclassified to profit or loss				
Other Comprehensive Income of the Period				
Total Comprehensive Income	\$ 119,087	1	(99,476)	(1)
Net Income Attributable to:				
Net Income	\$ 257,159	2	(18,083)	
Total Comprehensive Income Attributable to:				
Total Comprehensive Income	\$ 119,087	1	(99,476)	(1)
Earnings Per Share (Note 6 (21)):				
Basic EPS (Unit: NT\$)	\$	2.05		(0.12)
Diluted EPS (Unit: NT\$)	\$	2.00		(0.12)

Chairman of the Board: SHIH, JUI PIN

Manager: LIN, YUNG-CHANG

Chief Accountant: HO, MEI HSIU

	Equity attributable to owners of parent company										
	Capital stock		Retained earnings				Other equity items Exchange differences on translation of foreign financial statements	Treasury shares	Total owner equity attributable to the parent company	Non- controlling interests	Total equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Undistributed surplus	Total					
Balance as of January 1, 2018											
Balance as of December 31, 2018											
Balance as of December 31, 2019											

Chairman of the Board: SHIH, JUI PIN

Manager: LIN, YUNG-CHANG

Chief Accountant: HO, MEI HSIU

	<u>2019</u>	<u>2018</u>
Cash flow of operating activities:		
Profit before tax		
Adjustment items:		
Profit expense item		

Chairman of the Board: SHIH, JUI PIN Manager: LIN, YUNG-CHANG Chief Accountant: HO, MEI HSIU

	<u>2019</u>	<u>2018</u>
Net cash inflow from operating activities		
Cash flows from investing activities:		
Net cash outflow from investing activities		
Cash flows from financing activities:		
Net cash (outflow) inflow from fundraising activities		
	\$ 412,939	417,768

Chairman of the Board: SHIH, JUI PIN

Manager: LIN, YUNG-CHANG

Chief Accountant: HO, MEI HSIU

Attachment IV. Earnings Distribution Table

2019 Earnings Distribution Table

Unit: NT\$ thousand

Item	Amount	
Undistributed earnings at the end of the period		-
Plus (less):		
Changes of re-measurement number of defined benefit plan for the period	12,232,675	
Current tax after-tax profit	251,919,325	
Distributable earnings		264,152,000
less:		
Recognition of legal reserve	(25,191,932)	
Special reserve-net decrease of exchange from translation of financial statements of institutions running overseas	(1,413,316)	
Distribution items:		
Shareholder dividend - cash dividend (NT\$ 0.8 per share)	(109,480,510)	
Shareholder dividends - stock dividend (NT\$0.2 per share)	(27,370,130)	
Undistributed earnings at the end of the period		100,696,112

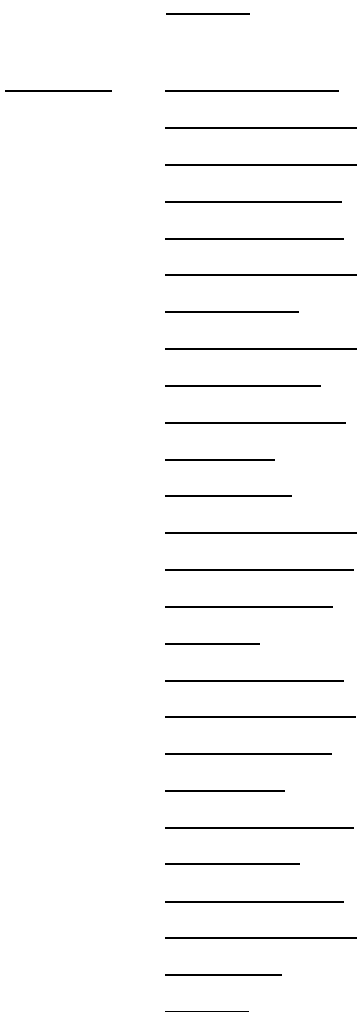
Attachment V. Comparison Table for Amendments to the "Operational Procedures for Loaning of Funds"

Article No.	Amended articles	Prevalent articles

Article No.	Amended articles	Prevalent articles

Attachment VI. Comparison Table for Amendments to the "Operational Procedures for Endorsements/Guarantees"

Article No.	Amended articles	Prevalent articles
	1.	1.

		Reasons for amendments
<div style="text-align: center;">  </div>		
2.4.	2.4.	2.5. Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers" issued by the Taiwan Stock Exchange on December 25, 2019.

		Reasons for amendments
	<p style="text-align: right;">_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	

		Reasons for amendments
(a)	(a)	
(b)	(b)	
(c)	(c)	
(d)	(d)	
(e)	(e)	
(f)	(f)	
(g)	(g)	

		Reasons for amendments

12.3.

(a)

(b)

(c)

		Reasons for amendments
(f)	(e) (f)	
<p>20.6.</p> <p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p> <p>(e)</p> <p>_____</p> <p>-</p>	<p>20.6.</p> <p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p> <p>(e)</p> <p>-</p>	<p>Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers" issued by the Taiwan Stock Exchange on December 25, 2019. In addition, the text of this article is slightly amended in line with the amendments to the definition.</p>

		Reasons for amendments
(f)		
(g)	(f)	
(h)	(g)	
(i)		
(j)	(h)	

		Reasons for amendments
	<p style="text-align: center;">(i)</p> <p style="text-align: center;">(j)</p>	
<p>28.1.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>(a)</p>	<p>28.1.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers" issued by the Taiwan Stock Exchange on December 25, 2019.</p>

		Reasons for amendments
<p>(b)</p> <p>(c)</p> <p>(d)</p> <hr/> <hr/> <hr/> <hr/> <p>(e)</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		
<p>28.2.</p> <hr/> <hr/> <hr/> <hr/> <p><u>Dissenting Member</u></p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>28.2.</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers" issued by the Taiwan Stock Exchange on December 25, 2019.</p>

		Reasons for amendments
<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>34.5. _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>34.5. _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Relevant contents were amended in line with the requirements of the Jinguanzhengjiaozi No. 1080311451 dated April 25, 2019, issued by the Financial Supervision Commission.</p>
<p>47.2.</p>	<p>47.2.</p>	<p>Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers" issued by the Taiwan Stock Exchange on</p>

		Reasons for amendments
<p style="text-align: right;">_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		December 25, 2019.
<p>63.4. _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		Relevant contents were amended in line with the amendments to the "Checklist for the Protection of Shareholders' Interest in the Country of Registration of Foreign Issuers"

		Reasons for amendments
<p>Mechanism</p> <p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p>	<p>Protection Mechanism</p> <p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p>	<p>is slightly amended in line with the amendments to the definition.</p>

Attachment VIII. Comparison Table for Amendments to "Procedures for Election of Directors"

Article No.	Amended articles	Prevalent articles	Reasons for amendments
	Article 5.	Article 5.	

Attachment IX. Comparison Table for Amendments to “Rules of Procedure for the Shareholders' Meeting”

Article No.	Amended articles	Prevalent articles	Reasons for amendments
	Article 3.	Article 3.	<p>Paragraph 4 is amended in line with the amendment to paragraph 5, Article 172 of the Company Act.</p> <p>Paragraph 5 of this article was amended in line with Jingshangzi No. 10702417500 dated August 6, 2018.</p> <p>The paragraph number is amended to paragraph 6. The relevant text was amended in line with the new amendments to paragraph 1 and the addition of paragraph 5 to Article 172-1 of the Company Act.</p>

Article No.	Amended articles	Prevalent articles	Reasons for amendments
			<p>The paragraph number is amended to paragraph 7. Amendments were made in line with paragraph 2, Article 172-1 of the Company Act.</p>

Article No.	Amended articles	Prevalent articles	Reasons for amendments
	Article 10.	Article 10.	<p>Paragraph 1 was amended in line with the full adoption of electronic voting by TWSE/TPEX listed companies from 2018 and to realize the spirit of voting for each resolution.</p> <p>Paragraph 4 was amended to avoid the person with the right to convene a shareholders meeting excessively reducing the shareholders' voting time, resulting in insufficient time for shareholders to vote and affecting the exercise of their voting rights.</p>
	Article 13.	Article 13.	Paragraph 2 was amended in line with the full adoption of electronic voting by TWSE/TPEX listed companies from 2018.

Article No.	Amended articles	Prevalent articles	Reasons for amendments
	Article 15.	Article 15.	Paragraph 3 was amended to realize the spirit of voting for each resolution and with reference to the recommendation from the Asia Corporate Governance Association.

Appendix I. Operational Procedures for Loaning of Funds (before Amendment)

1.

2.

3.

3.1.

3.1.1.

3.1.2.

3.1.3.

3.1.4.

3.2.

3.2.1.

3.2.2.

3.2.3.

3.3.

3.3.1.

3.3.2.

3.3.3.

3.3.4.

3.3.5.

3.4.

3.4.1.

3.4.2.

3.4.3.

3.4.3.1.

3.4.3.2.

3.4.3.3.

3.4.3.4.

- 3.5.
 - 3.5.1.
 - 3.5.2.

- 3.6.
 - 3.6.1.

 - 3.6.2.
 - 3.6.3.
 - 3.6.4. The shall evaluate the conditions of the loans and set aside adequate reserve for bad debts. It shall also disclose related information in the Financial Report and provide related information to the CPA for implementation of necessary auditing procedures.

- 3.7. Internal controls.
 - 3.7.1. The Company shall establish and maintain a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated according to the regulations.
 - 3.7.2. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the members of the Audit Committee in writing of any material violation found, if any.
 - 3.7.3. If, as a result of a change in circumstances, an entity for loaning of funds does not meet the requirements of these Regulations and the loan balance exceeds the limit, the audit unit should urge the finance department to set a deadline to recover excess amount of the funds, and adopt rectification plans. The rectification plans shall be submitted to Audit Committee, and completed according to the timeframe set out in the plan.

- 3.8. Procedures for controlling loans lent by subsidiaries
 - 3.8.1.

 - 3.8.2.

 - 3.8.3.

 - 3.8.4.

3.9. Announcing and reporting procedures:

3.9.1. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.3.9.1

3.9.2. Company

3.9.2.1.

3.9.2.2.

3.9.2.3.

3.9.2.4.

3.9.3. The shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

3.10.

3.11. Implementation and Amendment:

The Regulations, and any amendments thereto, shall be approved by the Audit Committee, submitted to the Board of Directors for a resolution and then submitted to the shareholders' meeting for an adoption before they are implemented. If the approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds or more of of all Directors. The term "all members" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

4. Supplemental provisions:

Appendix II. Operational Procedures for Endorsements/Guarantees (before Amendment)

- 1.
2.
 - 2.1.
 - 2.1.1.
 - 2.1.2.
 - 2.1.3.
 - 2.2.
 - 2.3.
 - 2.4.
3.
 - 3.1.
 - 3.1.1.
 - 3.1.2.
 - 3.1.3.
 - 3.1.4. . in which the public company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.
 - 3.1.5. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.
 - 3.1.6. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.
 - 3.2.
 - 3.2.1.
 - 3.2.2.
 - 3.2.2.1. Companies with business relationship:
The aggregate amount of endorsements/guarantees shall not exceed 40% of the Company's net worth, and the amount to a

single counterparty shall not exceed the amount of business transactions.

3.2.2.2. For companies that the Company holds, directly and indirectly, more than 50% of the voting shares, aggregate amount of endorsements/guarantees shall not exceed 40% of the Company's net worth, and the amount to a single counterparty shall not exceed the Company's investment on which.

3.2.2.3. The aggregate amount of endorsements/guarantees by the Company and its subsidiaries shall not exceed 40% of the net worth as stated in its latest financial statement; and the limit for a single enterprise shall be 40% of its net worth.

The limit amount of endorsements/guarantees by the Company to its subsidiaries, which the Company invests 100% and between its subsidiaries shall not exceed 5% of the net worth as stated in its latest financial statement, and the amount of endorsements/guarantees to a single counterparty shall not exceed 2% of the net worth as stated in its latest financial statement. Such proposal shall be submitted to the Company's Board of Directors for approval before implementation

3.2.2.4. The aforementioned net worth is calculated on the basis of the net worth in the most current balance sheet of the company that made endorsements/guarantees and audited by CPA.

3.3.

3.3.1.

3.3.2.

Directors discuss based on the preceding paragraphs, opinions from each Independent Director shall be taken into full consideration, and their specific ideas and reasons for consent or opposition shall also be included in the minutes of the Board of Directors' meeting.

3.3.5. The endorsements/guarantees shall be recorded or stated in writing if the Directors disagree. The record or statement shall be submitted to the Audit Committee and the Board of Directors for discussion with the minutes of the board meeting and the endorsement guarantee procedures.

3.4.

3.5.

3.5.1.

3.5.2.

3.5.2.1.

3.5.2.2.

3.5.2.3.

3.5.2.3.1.

3.5.2.3.2.

3.5.2.3.3.

3.5.2.3.4.

3.5.2.3.5.

3.5.2.3.6.

3.5.2.3.7.

3.5.2.4.

3.5.2.5.

3.5.2.5.1.

3.5.2.5.2.

3.5.2.5.3.

3.5.2.6.

3.5.2.7.

3.5.2.8.

3.5.2.9.

3.5.2.10.

3.6.

3.6.1.

3.6.2.

3.6.3.

3.7.

3.8.

3.8.1.

3.8.2.

3.8.3. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.

3.8.4. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.

3.8.5.

3.8.6. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.

3.8.7. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

3.8.8.

3.9.

for controlling and managing endorsements/guarantees by subsidiaries:

3.9.1.

3.9.2.

3.9.3.

3.9.4.

3.9.5.

3.10.

3.11.

In accordance with the Company's personnel management regulations, managers and persons-in-charge who violate these procedures shall be punished based on the severity of violation.

3.12.

Regulations

4.

**AMENDED AND RESTATED MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO
LIMITED**

(adopted by a Special Resolution passed on June 06, 2019)

Appendix III. Articles of Association (before Amendment)

THE COMPANIES LAW (as amended)
Company Limited by Shares
AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED

1. The name of the Company is Airmate (Cayman) International Co Limited.
2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, 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 the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies Law (as amended).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law (as amended).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks & Trust Companies Law (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law (as amended).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
8. The authorised share capital of the Company is New Taiwan Dollars 2,162,500,000 divided into 216,250,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Law (as amended) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (as amended) and, subject to the provisions of the Companies Law (as amended) 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.

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**AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED
(adopted by a Special Resolution passed on June 06, 2019)**

Table A

INTERPRETATION

1. Definitions

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

1.2.

- (a)
- (b)
- (c)

- (d)
 - (i)
 - (ii)
- (e)

- (f)

(g)

(h)

1.3.

1.4.

SHARES

2. Power to Issue Shares

2.1.

2.2.

2.3.

2.4.

2.5.

Restricted Shares

2.6.

- (a) in connection with a Merger, spin-off, 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 2.11 hereof;
- (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;

- (d) or corporate bonds vested with rights to acquire shares;
- (e) vested with rights to acquire shares;
- (f) in connection with the issue of shares in accordance with Article 14.5; or
- (g) in connection with Private Placement of the securities issued by the Company.

2.7.

2.8.

3.3.

3.4.

3.5.

3.6.

3.7.

- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
 - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
 - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;
- (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
- (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
 - (i) such purchase transactions shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules; and
 - (ii) such purchase transactions shall be in accordance with the Law.

3.8.

3.9.

3.10.

3.11.

3.12.

3.13.

3.14.

3.15.

- (d) 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;
- (e) 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 the Articles or the Law.

3.16.

3.17.

4. Rights Attaching to Shares

(a)

(b)

(c)

(d)

5. Share Certificates

5.1.

5.2.

5.3.

5.4.

5.5.

6. Preferred Shares

6.1.

6.2.

(a)

(b)

(c)

(d)

(e)

REGISTRATION OF SHARES

7. Register of Members

(a)

(b)

8. Registered Holder Absolute Owner

(a)

(b)

9. Transfer of Registered Shares

9.1.

9.2.

9.3.

9.4.

9.5.

10. Transmission of Registered Shares

10.1.

10.2.

10.3.

10.4.

11. Alteration of Capital

11.1.

increase its share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;

sub-divide 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 and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or

cancel any 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.

11.2.

SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION

12. Special Resolution and Supermajority Resolution

12.1.

- (a)
- (b)
- (c)

- (d)
- (e)

12.2.

12.3.

- (a)
- (b)

- (c)
- (d)
- (e)
- (f)

12.4.

- (a)

- (b)

13. Variation of Rights Attaching to Shares

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14.1.

14.2.

14.3.

14.4.

14.5.

(a)

Employees' Compensations

(b)

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14.6.

14.7.

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15.1.

15.2.

16. Method of Payment

16.1.

16.2.

17. Capitalisation

MEETINGS OF MEMBERS

18. Annual General Meetings

18.1.

18.2.

18.3.

19. Extraordinary General Meetings

19.1.

19.2.

19.3.

19.4.

19.5.

19.6.

19.7.

19.8.

20. Notice

20.1.

20.2.

20.3.

20.4.

20.5.

20.6.

- (a)
- (b)
- (c)
- (d)
- (e)

(f)

(g)

(h)

(i)

(j)

20.7.

20.8.

20.9.

21.

21.1.

21.2.

22. Postponement of General Meeting

23.

23.1.

23.2.

23.3.

23.4.

23.5.

23.6.

23.7.

24. Chairman to Preside

24.1.

24.2.

25. Voting on Resolutions

25.1.

25.2.

25.3.

25.4.

25.5.

25.6.

26. Proxies

26.1.

26.2.

26.3.

26.4.

26.5.

27. Proxy Solicitation

For so long as the shares are traded on the ESM or 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."

28. Dissenting Member's Appraisal Right

28.1.

- (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; or
- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.

28.2.

29. Shares that May Not be Voted

29.1.

- (a)
- (b)
- (c)

29.2.

29.3.

30. Voting by Joint Holders of Shares

31. Representation of Corporate Member

31.1.

31.2.

32. Adjournment of General Meeting

33. Directors Attendance at General Meetings

DIRECTORS AND OFFICERS

34. Number and Term of Office of Directors

34.1.

34.2.

34.3.

34.4.

34.5.

34.6.

35. Election of Directors

35.1.

35.2.

Voting

Cumulative

(a)

(b)

(c)

(d)

35.3.

35.4.

35.5.

36. Removal of Directors

36.1.

36.2.

37. Vacation of Office of Director

37.1.

- (a) if the Director is removed from office pursuant to the Articles;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2;
- (f) if the Director is automatically removed in accordance with Article 37.2;
- (g) if the Director ceases to be a Director in accordance with Article 37.3; or
- (h)

completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;

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 year, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than two years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;

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 commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than two years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned; or

the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

37.2.

37.3.

38. Compensation of Directors

38.1.

38.2.

38.3.

39. Defect in Election of Director

40. Directors to Manage Business

41. Powers of the Board of Directors

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(k)

42. Register of Directors and Officers

42.1.

(a)

(b)

42.2.

(a)

(b)

43. Officers

44. Appointment of Officers

45. Duties of Officers

46. Compensation of Officers

47. Conflicts of Interest

47.1.

47.2.

47.3.

47.4.

48. Indemnification and Exculpation of Directors and Officers

48.1.

48.2.

48.3.

(a)

(b)

48.4.

MEETINGS OF THE BOARD OF DIRECTORS

49. Board Meetings

49.1.

49.2.

49.3.

49.4.

49.5.

49.6.

50. Notice of Board Meetings

50.1.

50.2.

51. Participation in Meetings by Video Conference

52. Quorum at Board Meetings

53. Board to Continue in the Event of Vacancy

54. Chairman to Preside

55. Validity of Prior Acts of the Board

CORPORATE RECORDS

56. Minutes

(a)

(b)

(c)

57. Register of Mortgages and Charges

57.1.

57.2.

58. Form and Use of Seal

58.1.

58.2.

58.3.

TENDER OFFER AND ACCOUNTS

59. Tender Offer

60. Books of Account

60.1.

(a)

(b)

(c)

60.2.

60.3.

61. Financial Year End

(a)

(b)

Audit Committee

62. Number of Committee Members

63. Powers of Audit Committee

63.1.

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(k)

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.

63.2.

63.3.

VOLUNTARY WINDING-UP AND DISSOLUTION

64. Winding-Up

64.1.

64.2.

CHANGES TO CONSTITUTION

65. Changes to Articles

REDUCTION OF SHARE CAPITAL

66. Reduction of Share Capital

67. Discontinuance

APPOINTMENT OF LITIGIOUS AND NON-LITIGIOUS AGENT

68. Appointment of Litigious and Non-Litigious Agent

OTHERS

69. Shareholder Protection Mechanism

(a)

(b)

(c)

(d)

70. ROC Securities Laws and Regulation

71. Corporate Social Responsibilities

Appendix IV. Procedures for Election of Directors (before Amendment)

Article 1.

To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2.

Unless otherwise provided by the laws and regulations or Articles of Association, election of the Company's directors shall be in accordance with these Rules.

Article 3.

The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be considered in a diversified manner, and appropriate diversification policies shall be formulated regarding its own operation, operational type, and development needs, including but not limited to the following two main aspects:

1. Basic conditions and values: gender, age, nationality, and culture.
2. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 4.

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5.

Elections of Independent Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The

Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee Directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified Directors will be elected.

When the number of Directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of Directors falls sh

of Association, the Company shall call a extraordinary Shareholders Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent Directors falls below that required by paragraph 1, Article 14-2 of the Securities and Exchange Act and relevent regulations of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. When the independent Directors are dismissed en masse, an extraordinary general meeting shall be called within 60 days from the date of occurrence to hold a by-election.

When the number of independent Directors falls below that prescribed in the company's Articles of Incorporation due to the dismissal of an independent Director for any reason, a supplemental election to fill the vacancy should ideally be held at the next shareholders' meeting. When the independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a supplemental election to fill the vacancies.

Article 6.

The Company shall adopt a cumulative voting method where one share shall have the same voting rights as the number of directors to be elected, and the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates.

Article 7.

The Board of Directors shall prepare ballots in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8.

The number of directors and independent directors will be as specified in the company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.

Article 9.

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting. The ballot boxes shall be prepared by

the Board of Directors and publicly checked by the vote monitoring personnel before the voting commences.

Article 10.

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.

Article 11.

A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by the Board of Directors.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and sharehold Rosters; or the candidate whose name is entered in the ballot is a non-shareholder, but upon checking it shows that the candidate's name and identity card number do not match.
- V. The ballot is marked with words other than the candidate's account name (name) or shareholder account number (identity card number) and the number of voting rights allotted.
- VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12.

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or independent directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13.

Article 14.

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix V. Rules of Procedure for Shareholders' Meeting (before Amendment)

Article 1.

The rules are formulated in accordance with article 5 of the governance practice rules of listed and over-the-counter companies for compliance, to establish sound shareholders' meeting governance system, perfect supervision function and enhance management mechanism.

Article 2.

The rules of procedure for shareholders' meeting of the Company shall follow these rules, unless otherwise stipulated by law or Articles of Association.

Article 3.

The shareholders' meeting of the Company shall be convened by the board of directors, unless otherwise stipulated by law.

The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. And it shall prepare the meeting handbook and supplemental data of shareholders' meeting in electronic files and send to open information observation station 21 days before regular shareholders' meeting or 15 days before interim shareholders' meeting. It shall properly prepare the meeting handbook and supplemental data for every shareholders' meeting available to shareholders at any time 15 days before the shareholders' meeting, and display at the Company or special service agency entrusted by the Company for distribution at the meeting.

Notice and announcement shall clearly record the cause of convention; and the notice that has to be permitted by the relative party shall be in electronic form.

Appointment or relief of directors, variation to Articles of Association, Company dissolution, consolidation, splitting and items in paragraph 1 of Article 185 of the Company Act, paragraph 1 of article 26 and paragraph 6 of article 43 of securities transaction law, as well as paragraph 1 of article 56 and paragraph 2 of article 60 in operation standards for issuers placement and issuance of negotiable securities shall be listed in the cause for convention instead of being raised through extempore motion.

Shareholders holding over 1% of the total issued shares shall make proposal to the regular shareholders' meeting of the Company in writing. However, it is only limited to one; if the proposal is more than one, it will not be listed in the motion. Besides, if the proposal raised by shareholders fall into the provisions of subparagraph 4 of paragraph 1 of Article 172 of the Company Act, the board of directors will not list it as motion.

The Company shall announce the received proposals from shareholders, reception place and reception period before the date of suspending stock transfer prior to the convention of regular shareholders' meeting; the reception period shall not be less than 10 days.

The proposal raised by shareholders shall be within 300 words; or otherwise, it will not be listed as motion. The shareholders raising the proposal shall attend the regular shareholders' meeting in person or entrust others to do so on his behalf, and participate in the discussions.

The Company shall notify the proposal raising shareholder of the handling result before the date of shareholders' meeting convention notice, and list the motion conforming to the provisions of this Article in the convention notice. For proposal raised by shareholders not included in the motion, the board of directors shall explain the reasons for the same at the shareholders' meeting.

Article 4.

Shareholders shall present letter of authorization issued by the Company before every shareholders' meeting, recording the scope of authorization, entrusted agent, attend the shareholders meeting.

One shareholder can only issue one letter of authorization and entrust one person. The letter of authorization shall be delivered to the Company five days before convention of the shareholders' meeting; if there is repetition, whichever arrives earliest shall prevail. However, announcement of revoking previous authorization is not subject to this provision.

If the shareholder is planning to attend the shareholders' meeting himself or execute his voting power in written or electronic form after delivery of the letter of authorization to the Company, he shall revoke the notice of letter of authorization to the Company in writing. In case of cancellation after the expiration of the time limit, the voting right of the entrusted agent shall prevail.

Article 5.

The place for convening the shareholders' meeting shall be the domicile of the Company or other place that is convenient for shareholders to attend or suitable for the meeting. The starting time for the meeting shall not be earlier than 9 am or later than 3 pm. The convention time and place shall fully consider the opinions of independent directors.

Article 6.

The Company shall clearly indicate in the convention notice items like the reporting time and place of the shareholders and other matters needing attention.

The above mentioned reporting time of shareholders shall be processed at least 30 minutes before the meeting; and the reporting place shall be explicitly marked and assigned with enough qualified personnel.

The shareholders themselves or agents entrusted by them (hereinafter referred to as shareholders) shall attend the shareholders' meeting with the attendance certificate, attendance sign-in card or other certificates. The Company shall not add requirements for provision of other certificates randomly for the above. The requester for letter of authority shall come with ID certificate for verification.

The Company shall prepare the signature book for sign-in by attending shareholders, or sign-in card has to be submitted for replacement.

The Company shall deliver the meeting handbook, annual report, attendance certificate, speech note, vote and other meeting materials to shareholders attending the meeting; if in selection of directors, ballots shall be attached.

When the government or legal person acts as shareholder, the representative to attend the shareholders' meeting is not limited to one. When legal person is entrusted to attend the shareholders' meeting, it can only assign one representative to attend.

Article 7.

If the shareholder's meeting is convened by the board of directors, then the chairperson shall be acted upon by the chairman. If the chairman asks for leave or cannot execute his duty, vice chairman comes for replacement. If there is no vice chairman or the vice chairman asks for leave or cannot execute his duty, the chairman can designate one executive director as replacement; if there is no executive director, the chairman can designate one director as replacement; if the chairman does not designate, the executive director or director will recommend one as replacement.

If the above mentioned chairperson is to be acted upon by executive director or director as replacement, it shall be an executive director or director working at the position for more than six months, and who has obtained full understanding of the financial status of the Company. It is the same case when the chairperson is representative of legal person director.

The shareholders' meeting convened by board of directors is better to be chaired by the chairman himself and attended by more than half of all directors and one representative from various functional committees, and the attendance has to be recorded in the minute book.

If a shareholders' meeting is convened by a convener other than the board of directors, the convener shall be the chairperson of the shareholders' meeting. If the convener is more than two, one of them shall be recommended as the chairman.

The Company shall designate the entrusted lawyer, CPA or relevant personnel to attend the shareholders' meeting as a nonvoting delegate.

Article 8.

The Company shall conduct continuous taping or video recording of the shareholders report process, meeting process, voting and counting process.

The above audio-visual data has to be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9.

The attendance at shareholders' meeting shall take shares as the calculation basis. The attending shares shall be calculated with the number of shares through execution of voting power in written or electronic form according to the sign-in book or submitted sign-in card.

Upon the opening time of the meeting, the chairperson shall immediately announce opening. Only when the meeting is not attended by shareholders holding more than half of all issued shares, can the chairperson announce postponement. And the postponement is limited to two times and the postponed time cannot exceed one hour in total. If the meeting is not attended by shareholders holding more than one third of all issued shares after two times of postponement, then the chairperson will announce failed convention for lack of quorum.

If the meeting is attended by shareholders holding more than one third of all issued shares after two times of postponement, it will be false resolution according to the provisions of paragraph 1 of Article 175, which will be notified to shareholders that the meeting will be re-convened within one month.

Before closing the meeting, if the meeting is attended by shareholders holding more than half of all issued shares, the chairperson will take it as false resolution and re-apply to the shareholders' meeting for resolution according to provisions of Article 174 of the Company Act.

Article 10.

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

If the shareholders' meeting is convened by person other than the board of directors who has the right to convene, then the above provisions shall prevail.

Before closing the proceedings (including extempore motion) on the scheduled agenda of the above two items, the chairperson shall not announce adjournment at his own discretion; If the chairman announces adjournment by violating the proceedings rules, other members in the board shall quickly assist the attending shareholders in recommending one person as chairperson through permission of more than half of voting shareholders according to legal procedures and proceed with the meeting.

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.

Article 11.

Before the attending shareholders make any speech, they need to firstly fill in the speech tenet, shareholder account (attendance certificate S/N) and account name, and the speech order will be determined by the chairperson.

Shareholders who only submit speech note without making the speech will be deemed as no speech.

If the speech content and record in speech note are not consistent, the former shall prevail.

For the same motion, with the permission from the chairperson, every shareholder can only deliver a speech for two times at most for not more than five minutes per speech. Only when the shareholders' speech go against provisions or out of the agenda scope, will the chairperson stop the speech.

When the attending shareholder is making a speech, other shareholders shall not voice to interfere unless permission from the chairperson and shareholder making the speech is obtained; the chairperson shall stop violators.

If legal person shareholder designates more than two representatives to attend the shareholders' meeting, for the same motion only one person shall be recommended to speak.

After the attending shareholders' speech, the chairperson shall reply in person or designate relevant personnel for the same.

Article 12.

The decision by vote at the shareholders' meeting shall take the shares as the calculation basis.

For the resolutions at the shareholders' meeting, the number of shares of shareholders with no voting power shall not be included into the total number of issued shares.

If shareholders have bearing on the meeting matters, or their stake can lead to damage of the Company's interest, they shall not join the voting or act on behalf of other shareholders in executing the voting power.

The number of shares with no voting power shall not be included into the number of voting power of attending shareholders.

If one person is entrusted by more than two shareholders at the same time, the voting power shall not exceed 3% of the total voting power of issued shares except for agencies approved by authorities in trust business or securities; otherwise the voting power over the limit will not be calculated.

Article 13.

Shareholders have one voting power for every share; however, those limited or without voting power according to paragraph 2 of Article 179 of the Company Act are not subject to the provision.

When the Company convenes a Shareholders' Meeting, voting may be conducted in writing or with electronic measures. When voting via written or electronic method, the choice shall be indicated in the shareholder 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. Therefore, the Company should avoid the submission of extraordinary motions and amendments to original proposals.

The intention expression of those executing voting power in written or electronic form shall be delivered to the Company two days before convention of shareholders' meeting. When there is repetition, whichever arrives earliest shall prevail. However, announcement of revoking the previous intention expression is not subject to this provision.

If shareholders intend to attend the shareholders' meeting in person after executing the voting power in written or electronic form, they shall revoke the previous intention expression of voting power in the same manner two days in advance; if it is not revoked over the time limit, the voting power in written or electronic form shall prevail. If shareholders execute the voting power in written or electronic form or entrust agent to attend the shareholders' meeting, the voting power executed by the entrusted agent shall prevail.

The decision by vote upon motion shall only be approved by the consent of more than half of the voting power of the shareholders present., unless otherwise stipulated by Company Act or the Articles of Association of the Company. In deciding by vote, the chairperson or the personnel designated by the chairperson shall announce the total number of voting power of the attending shareholders for one case after another, and then shareholders shall vote for decision. And on the same day of convening the meeting, the results of shareholders' permission, objection or waiver shall be entered into the open information observation station.

If there is amendment proposal or substitution proposal for the same motion, the chairperson shall determine the order of decision by vote. If one bill is passed, the others will be deemed as vetoed without the need for decision by vote.

The supervising and counting personnel for decision by vote shall be designated by the chairperson, but the supervising personnel cannot be shareholders.

The counting for decision by vote or selection of motion at shareholders' meeting shall be carried out in open place within the venue. After completion of counting, the voting result shall be announced on the spot, including the statistical number of voting power for record.

Article 14.

If directors are selected at the shareholders' meeting, it shall be handled according to the appointment norms of the Company, and the selection result shall be announced on the spot, including the list of selected directors and the number of voting power.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15.

The resolution matters at shareholders' meeting shall be prepared into minute book to be signed or stamped by the chairperson and then distributed to shareholders within 20 days after the meeting. The preparation and distribution of minute book shall be in electronic form.

The Company shall distribute the above minute book in the form of announcement that is entered into the open information observation station.

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 their results, and shall be retained for the duration of the existence of the Company.

Article 16.

The number of shares obtained by the solicitor and the number of shares represented by the entrusted agent shall be clearly disclosed by the Company on the floor of the shareholders' meeting in the statistical table fabricated in accordance with the prescribed format on the day when the shareholders' meeting is held.

For the resolution matters at shareholders' meeting, if there is any important information involved according to legal stipulations or Taiwan Stock Exchange (consortium financial person over-the-counter transaction center of securities of the Republic of China), the Company shall upload the content to the open information observation station within specified time.

Article 17.

The meeting staff for preparing shareholders' meeting shall wear identification certificate or armband. The chairperson shall instruct the provost officers or security staff to maintain order. When the provost officers or security staff are maintaining order at the venue, they shall wear the armband with "provost officer" or identification certificate.

If the venue is equipped with loud-speaking equipment, the chairperson shall stop it when shareholders are using the equipment not allocated by the Company for speech.

If shareholders violate the proceedings rules, disobey the requirement for correction of the chairperson, interfere with the meeting, and refuse to stop after warnings, the chairperson shall instruct provost officers or security staff to guide them out of the venue.

Article 18.

During the meeting, the chairperson can at his own discretion announce adjournment; in the case of any events of force majeure, the chairperson can decide to suspend the meeting temporarily and announce the time for continuing with meeting depending on the circumstances.

Before closing proceedings (including extempore motion) on the scheduled agenda at shareholders' meeting, the meeting shall make resolution to seek another venue for meeting if the current venue does not allow for continuous use.

Appendix VI. Shareholding Status of Directors

Title	Name	Current holding of shares	
		Number of shares	Shareholding ratio
Chairman	SHIH, JUI-PIN		
Vice Chairman	TSAI, CHENG-FU		
Director	CHENG, LI-PING		
Director	SHIH LI, CHUEH-CHU		
Director	SHIH, JUI-LIN		
Director	CHENG, YEN-FU		
Director	CHEN, SHUN-LOONG		
Independent Director	FAN, CHIN-HWA		
Independent Director	CHIU, SHEAN-BII		
Independent Director	CHENG, MING-CHANG		
Independent Director	CHI, LAI-PING		

Note 1.

Note 2.

Note 3.

Note 4.