

Stock code 2301

Lite-On Technology Corporation

Annual General Meeting of Shareholders for 2020

Meeting Agenda

Date: June 15, 2020 at 9:00 a.m.

Location: 1F, No. 392, Ruey Kuang Road, Neihu Dist., Taipei City
(International Convention Center, Lite-On Technology Building)

Lite-On Technology Corporation

Meeting Procedure for the Annual General Meeting of Shareholders for 2020

- I. Chairperson Calls Meeting to Order
- II. Opening Remarks by the Chairperson
- III. Reports on Company Affairs
- IV. Proposals and Discussions
- V. Provisional Motions
- VI. Adjournment

Lite-On Technology Corporation

Agenda of the Annual General Meeting of Shareholders for 2020

- I. Chairperson Calls the Meeting to Order (and reports equity shares in attendance)
- II. Opening Remarks by the Chairperson
- III. Reports on Company Affairs
 - i. 2019 Business Report
 - ii. Audit Committee's Review Report on 2019 Financial Statements
 - iii. Employees and Directors compensation for 2019
 - iv. Cash Distribution to Shareholders from 2019 Earnings
 - v. Amendment to "Management of Operation of Board Meeting"
- IV. Proposals, Election and Discussions
 - i. Adoption of 2019 Financial Statements
 - ii. Adoption of the Proposal for Appropriation of 2019 Earnings
 - iii. Amendment to "Rules Governing the Election of Directors"
 - iv. Amendment to "Rules and Procedures of Shareholders' Meeting"
- V. Provisional Motions
- VI. Adjournment

III. Reports on Company Affairs

i. 2019 Business Report

Explanation: Please refer to attachment 1 from page 10 to page 11 - 2019 Business Report of the Company.

ii. Audit Committee's Review Report on the 2019 Financial Statements

Explanation:

1. 2019 Financial Statements of the Company have been duly audited by Certified Public Accountant Tsai, Cheng-Tsai and Certified Public Accountant Chiu, Meng-Chieh of Deloitte Touche Tohmatsu International Taiwan. The aforementioned financial statements, business report, and proposals for Earnings appropriation have been duly reviewed by the Audit Committee. Audit Committee's Review Report is provided herein.
2. For details of the Certified Public Accountants' Audit Report and aforementioned Financial Statements, please refer to Attachment 2 from page 12 to page 23 & Attachment 3 from page 24 to page 35.
3. For the Review Report provided by the Audit Committee, please refer to Attachment 4 at page 36.

iii. Employees and Directors compensation for 2019

Explanation:

1. The Company allocated the profit of 2019 to employees and directors as compensation and were discussed and resolved in the Board of Directors meeting convened on February 26, 2020, all paid in cash.
2. The Company's Board of Directors resolved 2019 compensation distributed to employees at the amount of NT\$1,326,548,195 and to directors at the amount of NT\$79,686,641.

iv. Cash Distribution to Shareholder from 2019 Earnings

Explanation:

1. The Company allocated the profit of 2019 to shareholders as dividends and were discussed and resolved in the Board of Directors meeting convened on February 26, 2020.
2. The Company's Board of Directors resolved 2019 profit distributed to shareholders in cash dividends at the amount of NT\$7,521,296,102 (NT\$3.2 per share).

v. Amendment to "Management of Operation of Board Meeting"

Explanation:

1. Pursuant to the amendment of regulations from competent authorities, an amendment to "Management of Operation of Board Meeting" is discussed and resolved in the Board of Directors meeting convened on November 4, 2019 and April 29, 2020.
2. Please refer to Attachment 5 from page 37 to page 41 for a comparison of the contents before and after amendment.

IV. Proposals and Discussions

Proposed by the Board of Directors

i. Proposal: Adoption of 2019 Financial Statements.

Explanation:

1. 2019 financial statements have been audited by Certified Public Accountant Tsai, Cheng-Tsai and Certified Public Accountant Chiu, Meng-Chieh of Deloitte Touche Tohmatsu International Taiwan and were discussed and resolved in the Board of Directors meeting convened on February 26, 2020.
2. The aforementioned financial statements and business report were reviewed by the Audit Committee.
3. For the business report for Year 2019, please refer to Attachment 1 from page 10 to page 11.
4. For the financial statements for Year 2019, please refer to Attachments 2 from page 12 to page 23 & attachment 3 from page 24 to page 35.
5. Please proceed to adopt.

Resolution:

Proposed by the Board of Directors

ii. Proposal: Adoption of the Proposal for Appropriation of 2019 Earnings

Explanation:

1. The 2019 profit distributed to shareholders in cash dividends amounted to NT\$7,521,296,102 (NT\$3.2 per share) was resolved in the Board of Directors meeting convened on February 26, 2020.
2. In Fiscal Year 2019, the Company made a net profit of NT\$9,374,898,902. By adding unallocated retained earnings of the previous year of NT\$7,446,117,140, adding adjustments on the equity method investments recognized in retained earnings of NT\$74,265,205, less adjustments on re-measurement on define benefit plans recognized in retained earnings of NT\$9,468,000, setting aside 10% of net profit as legal reserve of NT\$943,969,611 and special reserve of NT\$1,343,306,811, total distributable earnings for the year amounted to NT\$14,598,536,825, less the cash dividends resolved in the aforementioned Board of Directors meeting convened on February 26, 2020 of NT\$7,521,296,102, total distributable earnings for the year end amounted to NT\$7,077,240,723. For dividend distribution chart and descriptions, see Attachment 6 at page 42.
3. Please proceed to adopt.

Resolution

Proposed by the Board of Directors

iii. Amendment to “Rules Governing the Election of Directors”

Explanation:

1. Pursuant to the amendment of regulations from competent authorities, an amendment to “Rules Governing the Election of Directors” is proposed.
2. Please refer to Attachment 7 from page 43 to page 47 for a comparison of the contents before and after amendment.
3. Please proceed to adopt.

Resolution

Proposed by the Board of Directors

iv. Amendment to “Rules and Procedures of Shareholders’ Meeting”

Explanation:

1. Pursuant to the amendment of regulations from competent authorities, an amendment to “Rules and Procedures of Shareholders’ Meeting” is proposed.
2. Please refer to Attachment 8 from page 48 to page 52 for a comparison of the contents before and after amendment.
3. Please refer to Appendix 1 from page 53 to page 57 for the full contents before amendment.
4. Please proceed to adopt.

Resolution

V. Provisional Motions

VI. Adjournment

Lite-On Technology Corporation Business Report

Dear Shareholders,

LITE-ON's global consolidated revenue amounted to NT\$177.954 billion in 2019. Operating profit was NT\$9.35 billion, increasing 25% year-over-year. Net profit was NT\$9.38 billion and earnings per share (EPS) was NT\$4.03, the highest level in last three years, representing 18% year-on-year growth. The figures reflected LITE-ON's ongoing effort to focus on realigning revenue sources and creating stronger operations, thereby achieving successful upgrade and transformation.

Business Performance

In 2019, the LITE-ON opto-electronics business segment reported steady growth as its LED components benefited from the demand for 5G and artificial intelligence of things (AIoT) applications. LED vehicle lighting shipments rose. The information technology business segment continued to see rising shipments of AI smart home devices and game console power supply products, and reported market share gains in keyboards, mice and peripherals and streamlined shipments of all-in-one laser machines. LITE-ON's pillars for growth, cloud computing, LED components, LED vehicle and outdoor lighting, 5G, AIoT and other applications, accounted for more than 30% of the total revenue, and contributed more than 40% of the profit. On the operational side of business, we will focus on opportunities created by cloud computing, such as power supply, casing, network communication and other IoT applications, and growth in power supply and opto-electronics components in 5G and AIoT applications.

In the interest of effective specialization in the group, the business segments operate independently and follow a diversification strategy designed to improve the overall business performance and competitiveness. In 2019, an extraordinary general meeting passed a proposal to spin off the Solid-State Drive (SSD) Business Unit to a wholly owned subsidiary, Solid State Storage Technology Corporation. The Solid-State Drive Business Unit will be transferred to KIOXIA Holdings Corporation by sale of shares. The business to be sold is the operations and assets of the Solid-State Drive Business Unit, including inventory, machines and equipment, teams, technologies and intellectual property rights, and client/supplier relationships. The transaction price is US\$165 million. (The actual amount will be subject to adjustment at settlement as provided in the agreement.)

In response to drastic changes in global geopolitical and economic conditions, LITE-ON has been investing heavily in establishing long term advantages, including automated production systems and robotic arms, accelerated smart manufacturing, strengthened integration of manufacturing platforms and capabilities to manage digital supply chains at production facilities around the world, and integration of internal talent and external partners. LITE-ON aims to build a supply chain for smart manufacturing and enhance the company's core competency of serving customers worldwide. Meanwhile, LITE-ON has been making more extensive use of the Microsoft productivity tool, "O-365", and introduced robotic process automations (RPA) to push for a complete digital transformation in the last two years. This year, we will take one step further to combine management data on the LITE-ON Cloud and implement AI in stages to turn LITE-ON into an AI-enabled smart manufacturing business.

Corporate Social Responsibility

As part of our ongoing effort to develop sustainable governance, increase our influence in the industry and achieve environmental sustainability, LITE-ON created the Corporate Sustainability Committee in 2019. The committee reports directly to the board of directors, and serves to strengthen the sustainable governance mechanisms. Other responsibilities of the committee include optimization of key supplier criteria and improvement of the quality of sustainable supply chain management and the value of products. LITE-ON was one of the winners of the "Most Prestigious Sustainability Awards - Top Ten Domestic Corporates" by Taiwan Corporate Sustainability Awards (TCSA) in 2019. We were also a winner of the Corporate Sustainability Report Platinum Award and the Climate Leadership Award. LITE-ON has recently been rated "A" by the Carbon Disclosure Project (CDP 2019) at the beginning of 2020. The rating makes LITE-ON one of the leading companies worldwide in terms of information transparency and action to fight climate change. LITE-ON has been listed as a member of the Dow Jones Sustainability Index (DJSI) for nine years in a row since 2011, and has had a place on the MSCI ESG Leaders Index for six years in a row. In Taiwan, Lite-On was ranked top 5% in the 2019 Corporate Governance Evaluation Survey jointly implemented by the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX); listed as a constituent stock in the FTSE4Good TIP Taiwan ESG Index; awarded Commonwealth Magazine's Corporate Citizen Award in the large enterprise category for the 13th time; and named a winner in the electronics technology category of the Global Views Monthly Corporate Social Responsibility Survey 2019.

Future Outlook

Going forward, many uncertainties remain in the global economy, while the COVID-19 outbreak creates new ones for business operations. In addition to staying alert to changes and keeping flexibility in production capacity to meet the global demand, LITE-ON continues to focus on cloud computing, 5G, AIoT and other new applications in the medium to long term. We will invest and build up the company to become a competitive smart manufacturer that is always up to date with current developments. The goals include Industry 4.0 and Lighthouses. We will strive to put down strong roots and grow into a centenarian corporation. LITE-ON's investments in techniques, information communication technologies, digital transformation, and global human resources are intended to facilitate the development of new businesses. All employees are encouraged to share with open minds and keep learning, growing, and creating new things. Employees are also encouraged to acquire new skills such as digitization and supply chain management in smart manufacturing. We pay attention to details and do not take shortcuts so we may take the company to the next level and be one of the best and most agile in the business. We would like to thank our shareholders for your long-term support and recognition. We look forward to having you by our side in 2020 as LITE-ON continues the progress toward becoming a centenarian corporation.

Lite-On Chairman
Raymond Soong

Lite-On Vice Chairman & Group CEO
Warren Chen

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lite-On Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Lite-On Technology Corporation and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and consolidated cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the Group's consolidated financial statements for the year ended December 31, 2019 are as follows:

Allowance for Impairment Loss of Trade Receivables

The allowance for impairment loss of trade receivables reflects management's subjective evaluation and determination of the recoverable amount of overdue receivables containing credit risk. The key assumptions and inputs used in the evaluation process involve significant estimates by management. Hence, we focused on assessing the reasonableness of the management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of significant accounting policies. Refer to Note 11 to the consolidated financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the classification of client's credit rating, the reasonableness of expected credit loss rates, the calculation accuracy of allowance for impairment loss, and the recoverability of outstanding receivables via subsequent receipt testing.

Allowance for Inventory Valuation Loss

The value of inventory is affected by the volatility of market demand and ever-changing technology which could make inventory outdated and obsolete. The policy for determining the allowance for inventory loss reflects the management's subjective evaluation. Hence, we focused on assessing the reasonableness of management's estimates of allowance for inventory valuation loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of significant accounting policies. Refer to Note 12 to the consolidated financial statements for the carrying amount of inventory. In response to management's estimates mentioned above, we assessed the classification of inventory aging reports by business segment, the reasonableness of allowance for inventory valuation loss rates, the correctness of inventory aging classification and the allowance calculation via audit sampling, and the physical examination of inventory through year-end inventory count to determine whether inventory was outdated or obsolete.

Other Matter

We have also audited the parent company only financial statements of Lite-On Technology Corporation as of and for the years ended December 31, 2019 and 2018 to which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 and appropriate audit evidence regarding the financial information of 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 that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Tsai Tsai and Meng-Chieh Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2020

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 67,639,056	36	\$ 63,285,301	32
Financial assets at fair value through profit or loss (Note 7)	271,650	-	132,139	-
Financial assets at amortized cost (Note 9)	221,977	-	223,738	-
Contract assets	2,487,281	1	3,024,589	2
Notes receivable, net (Note 11)	245,525	-	697,671	-
Trade receivables, net (Note 11)	38,078,654	21	45,484,821	23
Trade receivables from related parties (Note 32)	73,542	-	90,095	-
Other receivables	5,171,354	3	10,910,806	6
Other receivables from related parties (Note 32)	21,743	-	4,417	-
Inventories, net (Note 12)	23,647,443	13	31,493,066	16
Disposal groups held for sale (Note 14)	7,025,272	4	-	-
Other current assets (Note 20)	1,969,183	1	2,638,275	1
Total current assets	146,852,680	79	157,984,918	80
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	116,644	-	111,220	-
Financial assets at fair value through other comprehensive income (Note 8)	1,521,076	1	388,675	-
Financial assets at amortized cost (Note 9)	338,662	-	395,301	-
Investments accounted for using the equity method (Note 15)	4,729,554	3	4,972,609	3
Property, plant and equipment, net (Note 16)	19,171,374	10	20,484,992	10
Right-of-use assets, net (Notes 17 and 32)	1,602,478	1	-	-
Investment properties, net (Note 18)	1,282,267	1	1,178,393	1
Intangible assets, net (Note 19)	5,947,819	3	5,914,084	3
Deferred tax assets (Note 27)	4,577,757	2	4,333,202	2
Refundable deposits	347,658	-	499,984	-
Other non-current assets (Note 20)	144,534	-	872,691	1
Total non-current assets	39,779,823	21	39,151,151	20
TOTAL	\$ 186,632,503	100	\$ 197,136,069	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 21)	\$ 30,433,692	16	\$ 30,087,282	15
Financial liabilities at fair value through profit or loss (Note 7)	688,834	-	51,877	-
Notes payable	13,271	-	18,235	-
Trade payables	44,304,379	24	52,309,412	27
Trade payables to related parties (Note 32)	730,544	-	781,623	-
Other payables	21,018,773	12	29,388,957	15
Other payables to related parties (Note 32)	12,494	-	16,684	-
Current tax liabilities	5,693,989	3	4,986,079	3
Provisions (Note 23)	1,043,689	1	1,011,238	-
Liabilities directly associated with disposal groups held for sale (Note 14)	2,693,881	2	-	-
Lease liabilities (Notes 17 and 32)	306,405	-	-	-
Advance receipts	2,457,892	1	1,959,041	1
Current portion of long-term borrowings (Note 21)	-	-	184	-
Finance lease payables (Note 22)	-	-	1,469	-
Total current liabilities	109,397,843	59	120,612,081	61
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 27)	1,789,117	1	1,605,349	1
Lease liabilities (Notes 17 and 32)	648,341	-	-	-
Finance lease payables, net of current portion (Note 22)	-	-	351	-
Net defined benefit liabilities (Note 24)	68,123	-	160,997	-
Guarantee deposits	87,689	-	78,890	-
Total non-current liabilities	2,593,270	1	1,845,587	1
Total liabilities	111,991,113	60	122,457,668	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
Share capital				
Ordinary shares	23,508,670	13	23,508,670	12
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	3,471,812	2	3,471,812	2
Bond conversions	7,462,138	4	7,462,138	4
Treasury share transactions	548,884	-	477,697	-
Recognized changes in percentage of ownership interest in subsidiaries	48,298	-	47,209	-
Changes in equities of investments in associates accounted for using the equity method	273,024	-	271,367	-
Mergers	10,015,194	5	10,015,194	5
Total capital surplus	21,819,350	12	21,745,417	11
Retained earnings				
Legal reserve	12,845,584	7	12,049,900	6
Special reserve	3,388,768	2	2,705,954	2
Unappropriated earnings	16,885,813	9	15,789,147	8
Total retained earnings	33,120,165	18	30,545,001	16
Other equity				
Exchange differences on translating foreign operations	(4,390,226)	(2)	(2,779,863)	(2)
Unrealized loss of financial assets at fair value through other comprehensive income	(312,940)	-	(449,461)	-
Gain on hedging instruments	288	-	2,714	-
Equity directly associated with disposal groups held for sale	(14,218)	-	-	-
Total other equity	(4,717,096)	(3)	(3,226,610)	(2)
Treasury shares	(1,271,314)	(1)	(1,248,722)	(1)
Total equity attributable to owners of the Parent Company	72,459,775	39	71,323,756	36
NON-CONTROLLING INTERESTS	2,181,615	1	3,354,645	2
Total equity	74,641,390	40	74,678,401	38
TOTAL	\$ 186,632,503	100	\$ 197,136,069	100

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 26 and 32)	\$ 181,808,286	102	\$ 211,390,341	102
Less: Sales allowance	2,768,242	1	3,102,425	1
Sales returns	1,085,878	1	1,178,828	1
Total operating revenue	177,954,166	100	207,109,088	100
COST OF GOODS SOLD (Notes 12, 29 and 32)	150,616,502	85	180,006,839	87
GROSS PROFIT	27,337,664	15	27,102,249	13
OPERATING EXPENSES (Notes 29 and 32)				
Selling and marketing expenses	5,788,391	3	7,084,795	3
General and administrative expenses	6,143,633	4	6,116,248	3
Research and development expenses	6,083,478	3	6,348,444	3
Expected credit loss (gain) (Note 31)	(23,060)	-	66,949	-
Total operating expenses	17,992,442	10	19,616,436	9
OPERATING INCOME	9,345,222	5	7,485,813	4
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates accounted for using the equity method	60,069	-	178,863	-
Interest income	1,896,183	1	1,710,052	1
Dividend income	20,484	-	39,400	-
Other income (Notes 32 and 35)	1,722,808	1	5,265,003	2
Net gain on disposal of investments (Note 15)	261	-	86,603	-
Net gain (loss) on foreign currency exchange	666,584	-	(497,693)	-
Net gain on financial assets at fair value through profit or loss	228,483	-	1,338,423	1
Finance costs	(844,172)	-	(875,318)	(1)
Other expenses	(343,473)	-	(380,339)	-
Net loss on disposal of property, plant and equipment	(30,456)	-	(20,018)	-
Net loss on disposal of intangible asset	(15)	-	(6)	-
Impairment loss (Notes 16 and 19)	(358,140)	-	(3,546,662)	(2)
Total non-operating income and expenses	3,018,616	2	3,298,308	1
PROFIT BEFORE INCOME TAX	12,363,838	7	10,784,121	5
INCOME TAX EXPENSE (Note 27)	(2,958,321)	(2)	(2,817,037)	(1)
NET PROFIT FOR THE YEAR	9,405,517	5	7,967,084	4

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 24, 25 and 27)				
Items not reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (12,720)	-	\$ 3,041	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	247,171	-	(107,838)	-
Share of other comprehensive loss of associates accounted for using the equity method	(8,779)	-	(1,770)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,278)	-	4,441	-
	<u>223,394</u>	-	<u>(102,126)</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(1,908,702)	(1)	(369,243)	-
Share of other comprehensive loss of associates accounted for using the equity method	(166,880)	-	(48,265)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	419,656	-	171,056	-
	<u>(1,655,926)</u>	(1)	<u>(246,452)</u>	-
Other comprehensive loss for the year, net of income tax	<u>(1,432,532)</u>	(1)	<u>(348,578)</u>	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,972,985</u>	<u>4</u>	<u>\$ 7,618,506</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Parent Company	\$ 9,374,899	5	\$ 7,956,838	4
Non-controlling interests	<u>30,618</u>	-	<u>10,246</u>	-
	<u>\$ 9,405,517</u>	<u>5</u>	<u>\$ 7,967,084</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Parent Company	\$ 7,973,221	4	\$ 7,602,588	4
Non-controlling interests	<u>(236)</u>	-	<u>15,918</u>	-
	<u>\$ 7,972,985</u>	<u>4</u>	<u>\$ 7,618,506</u>	<u>4</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 28)				
From continuing operations				
Basic	<u>\$4.03</u>		<u>\$3.42</u>	
Diluted	<u>\$3.98</u>		<u>\$3.38</u>	

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

(Concluded)

Attachment 2-3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to Owners of the Parent Company																					
	Issue of Share Capital (Note 26)		Capital Surplus (Note 26)							Retained Earnings (Notes 26)				Other Equity (Note 26)								
			Additional Paid-in Capital from Share Issuance in Excess of Par Value	Bond Conversion	Treasury Share Transactions	Difference Between Consideration and Carry Amounts Adjusted Arising from Changes in Percentage of Ownership in Subsidiaries	Changes in Capital Surplus from Investments in Associates Accounted for Using Equity Method	Merger	Total	Legal Reserve	Special Reserve	Unappropriated Earnings		Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets Designated as Fair Value Through Other Comprehensive Income	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Equity Directly Associated with Disposal Groups Held-for-Sale	Total	Treasury Shares	Non-controlling Interests
	Shares (In Thousands)	Amount										Unappropriated	Total									
BALANCE AT JANUARY 1, 2018	2,350,867	\$ 23,508,670	\$ 9,372,488	\$ 7,462,138	\$ 400,329	\$ 49,019	\$ 276,782	\$ 10,015,194	\$ 27,575,950	\$ 11,786,967	\$ 1,338,878	\$ 10,093,753	\$ 23,219,598	\$ (2,528,893)	\$ -	\$ (18,497)	\$ 3,372	\$ -	\$ (2,544,018)	\$ (1,248,722)	\$ 3,255,951	\$ 73,767,429
Effect of retrospective application	-	-	-	-	-	-	-	-	-	-	-	279,769	279,769	-	(298,266)	18,497	-	-	(279,769)	-	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	2,350,867	23,508,670	9,372,488	7,462,138	400,329	49,019	276,782	10,015,194	27,575,950	11,786,967	1,338,878	10,373,522	23,499,367	(2,528,893)	(298,266)	-	3,372	-	(2,823,787)	(1,248,722)	3,255,951	73,767,429
Appropriation of 2017 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	262,933	-	(262,933)	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	1,367,076	(1,367,076)	-	-	-	-	-	-	-	-	-	-
Cash dividends - 4.1%	-	-	-	-	-	-	-	-	-	-	-	(963,855)	(963,855)	-	-	-	-	-	-	-	-	(963,855)
Distribution of cash dividends from capital surplus	-	-	(5,900,676)	-	-	-	-	-	(5,900,676)	-	-	-	-	-	-	-	-	-	-	-	-	(5,900,676)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,776	82,776
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(1,810)	-	-	(1,810)	-	-	-	-	-	-	-	-	-	-	-	-	(1,810)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	(5,415)	-	(5,415)	-	-	-	-	-	-	-	-	-	-	-	-	(5,415)
Changes in capital surplus from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	77,368	-	-	-	77,368	-	-	-	-	-	-	-	-	-	-	-	-	77,368
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	43,182	43,182	-	(43,182)	-	-	-	(43,182)	-	-	-
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	4,078	-	-	-	-	4,078	-	-	4,078
Net profit for the year ended December 31, 2018	-	-	-	-	-	-	-	-	-	-	-	7,956,838	7,956,838	-	-	-	-	-	-	-	10,246	7,967,084
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	-	-	-	-	9,469	9,469	(255,048)	(108,013)	-	(658)	-	(363,719)	-	5,672	(348,578)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	-	-	-	-	7,966,307	7,966,307	(255,048)	(108,013)	-	(658)	-	(363,719)	-	15,918	7,618,506
BALANCE AT DECEMBER 31, 2018	2,350,867	23,508,670	3,471,812	7,462,138	477,697	47,209	271,367	10,015,194	21,745,417	12,049,900	2,705,954	15,789,147	30,545,001	(2,779,863)	(449,461)	-	2,714	-	(3,226,610)	(1,248,722)	3,354,645	74,678,401
Effect of retrospective application (Note 3)	-	-	-	-	-	-	-	-	-	-	-	(5,145)	(5,145)	-	-	-	-	-	-	-	(9,761)	(14,906)
BALANCE AT JANUARY 1, 2019 AS RESTATED	2,350,867	23,508,670	3,471,812	7,462,138	477,697	47,209	271,367	10,015,194	21,745,417	12,049,900	2,705,954	15,784,002	30,539,856	(2,779,863)	(449,461)	-	2,714	-	(3,226,610)	(1,248,722)	3,344,884	74,663,495
Appropriation of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	795,684	-	(795,684)	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	682,814	(682,814)	-	-	-	-	-	-	-	-	-	-
Cash dividends - 29.2%	-	-	-	-	-	-	-	-	-	-	-	(6,864,532)	(6,864,532)	-	-	-	-	-	-	-	-	(6,864,532)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(836,184)	(836,184)
Acquisition of further interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(12,616)	(12,616)	-	-	-	-	-	-	-	(326,849)	(339,465)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	1,089	-	-	1,089	-	-	-	-	-	-	-	-	-	-	-	-	1,089
Changes in capital surplus from investments in associates accounted for using the equity method (Note 3)	-	-	-	-	-	-	1,657	-	1,657	-	-	(5,585)	(5,585)	-	-	-	-	-	-	-	-	(3,928)
Changes in capital surplus from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	71,187	-	-	-	71,187	-	-	-	-	-	-	-	-	-	-	-	-	71,187
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	111,361	111,361	-	(111,361)	-	-	-	(111,361)	-	-	-
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	(665)	-	-	-	-	(665)	-	-	(665)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,592)	-	(22,592)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	9,374,899	9,374,899	-	-	-	-	-	-	-	30,618	9,405,517
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(23,218)	(23,218)	(1,609,698)	247,882	-	(2,426)	(14,218)	(1,378,460)	-	(30,854)	(1,432,532)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	9,351,681	9,351,681	(1,609,698)	247,882	-	(2,426)	(14,218)	(1,378,460)	-	(236)	7,972,985
BALANCE AT DECEMBER 31, 2019	2,350,867	23,508,670	3,471,812	7,462,138	548,884	48,298	273,024	10,015,194	21,819,350	12,845,584	3,388,768	16,885,813	33,120,165	(4,390,226)	(312,940)	-	288	(14,218)	(4,717,096)	(1,271,314)	2,181,615	74,641,390

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at fair value through other comprehensive income	\$ (11,500)	\$ (58,970)
Proceeds from disposal of financial assets at fair value through other comprehensive income	292,270	176,660
Purchases of financial assets at amortized cost	(658,270)	-
Proceeds from disposal of financial assets at amortized costs	720,192	868,455
Proceeds from disposal of investments accounted for using the equity method	3,997	2,849
Net cash inflow on disposal of subsidiaries	355,775	5,590
Proceeds from disposal of non-current assets held for sale	422,389	658,211
Purchases of property, plant and equipment	(5,174,012)	(5,646,424)
Proceeds from disposal of property, plant and equipment	193,894	3,444,871
Decrease in refundable deposits	144,006	140,857
Purchases of intangible assets	(282,196)	(166,322)
Proceeds from disposal of intangible assets	3,062	418,442
Decrease (increase) in other non-current assets	12,339	(80,403)
Dividend received from associates	140,066	101,714
Net cash used in investing activities	<u>(3,837,988)</u>	<u>(134,470)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	691,702	(476,153)
Repayments of long-term borrowings	(184)	(16,645)
Proceeds from (refunds of) guarantee deposits received	11,573	(1,345)
Decrease in finance lease payables	-	(1,617)
Repayments of the principal portion of lease liabilities	(332,362)	-
Cash dividends paid	(6,793,345)	(6,787,163)
Payments for buy-back of ordinary shares	(22,592)	-
Acquisition of subsidiaries	(364,239)	-
Changes in non-controlling interests	(814,371)	(30,537)
Net cash used in financing activities	<u>(7,623,818)</u>	<u>(7,313,460)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(1,808,492)</u>	<u>(534,173)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,491,449	5,501,441
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>63,285,301</u>	<u>57,783,860</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 69,776,750</u>	<u>\$ 63,285,301</u>
CASH AND CASH EQUIVALENTS INCLUDED IN DISPOSAL GROUPS HELD FOR SALE (Note 14)	<u>(2,137,694)</u>	<u>-</u>
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEET	<u>\$ 67,639,056</u>	<u>\$ 63,285,301</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lite-On Technology Corporation

Opinion

We have audited the accompanying financial statements of Lite-On Technology Corporation (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2019 are as follows:

Allowance for Impairment Loss of Trade Receivables

The allowance for impairment loss of trade receivables reflects management's subjective evaluation and determination of the recoverable amount of overdue receivables containing credit risk. The key assumptions and inputs used in the evaluation process involve significant estimates by management. Hence, we focused on assessing the reasonableness of management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the Company's financial statements for the summary of significant accounting policies. Refer to Note 11 to the Company's financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the classification of client's credit rating, the reasonableness of expected credit loss rates, the calculation accuracy of allowance for impairment loss, and the recoverability of outstanding receivables via subsequent receipt testing.

Allowance for Inventory Valuation Loss

The value of inventory is affected by the volatility of market demand and ever-changing technology which could make inventory outdated and obsolete. The policy for determining the allowance for inventory loss reflects management's subjective evaluation. Hence, we focused on assessing the reasonableness of management's estimates of allowance for inventory valuation loss in our audit.

Refer to Note 4 to the Company's financial statements for the summary of significant accounting policies. Refer to Note 12 to the Company's financial statements for the carrying amount of inventory. In response to management's estimates mentioned above, we assessed the classification of inventory aging reports by business segments, the reasonableness of allowance for inventory valuation loss rates, the correctness of inventory aging classification and the allowance calculation via audit sampling, and the physical examination of inventory through year-end inventory count to determine whether inventory was outdated or obsolete.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Tsai Tsai and Meng-Chieh Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2020

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

LITE-ON TECHNOLOGY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 5,160,275	5	\$ 7,082,108	5
Financial assets at fair value through profit or loss (Note 7)	127,764	-	2,857	-
Financial assets at amortized cost (Note 9)	120,894	-	4,680	-
Contract assets	276,129	-	629,585	-
Notes receivable, net (Note 11)	207	-	1,203	-
Trade receivables, net (Note 11)	21,578,655	15	27,686,332	19
Trade receivables from related parties (Note 28)	9,112,758	6	11,098,911	7
Other receivables	512,440	-	932,490	1
Other receivables from related parties (Note 28)	205,810	-	413,982	-
Inventories, net (Note 12)	6,759,512	5	9,644,127	7
Prepayments	622,459	-	643,755	-
Non-current assets held for sale (Note 13)	4,604,229	3	-	-
Total current assets	49,081,132	34	58,140,030	39
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	59,364	-	56,333	-
Financial assets at fair value through other comprehensive income (Note 8)	278,625	-	213,473	-
Financial assets at amortized cost (Note 9)	230,518	-	304,010	-
Investments accounted for using the equity method (Note 14)	78,825,567	54	73,960,509	50
Property, plant and equipment, net (Note 15)	7,885,540	5	7,640,678	5
Right-of-use assets, net (Notes 16 and 28)	93,033	-	-	-
Intangible assets, net (Note 17)	5,528,836	4	5,496,986	4
Deferred tax assets (Note 24)	3,912,461	3	3,595,595	2
Refundable deposits	102,713	-	99,697	-
Net defined benefit assets (Note 20)	9,278	-	-	-
Other non-current assets	6,471	-	6,470	-
Total non-current assets	96,932,406	66	91,373,751	61
TOTAL	\$ 146,013,538	100	\$ 149,513,781	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 20,134,925	14	\$ 17,264,395	11
Financial liabilities at fair value through profit or loss (Note 7)	-	-	3,997	-
Notes payable	-	-	2,571	-
Trade payables	3,116,384	2	6,599,857	4
Trade payables to related parties (Note 28)	31,425,045	22	35,361,931	24
Other payables	11,331,303	8	12,838,742	9
Other payables to related parties (Note 28)	286,494	-	93,444	-
Current tax liabilities	3,552,602	2	2,936,430	2
Provisions (Note 19)	863,538	-	851,041	1
Lease liabilities (Notes 16 and 28)	28,852	-	-	-
Advance receipts	1,163,175	1	744,113	-
Total current liabilities	71,902,318	49	76,696,521	51
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	1,569,467	1	1,399,170	1
Lease liabilities (Note 16)	65,385	-	-	-
Net defined benefit liabilities (Note 20)	-	-	78,236	-
Guarantee deposits	16,593	-	15,979	-
Credit balance of investments accounted for using the equity method (Note 14)	-	-	119	-
Total non-current liabilities	1,651,445	1	1,493,504	1
Total liabilities	73,553,763	50	78,190,025	52
EQUITY				
Share capital				
Ordinary shares	23,508,670	16	23,508,670	16
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	3,471,812	3	3,471,812	3
Bond conversions	7,462,138	5	7,462,138	5
Treasury share transactions	548,884	-	477,697	-
Recognized changes in percentage of ownership interest in subsidiaries	48,298	-	47,209	-
Changes in equities of investments in associates accounted for using the equity method	273,024	-	271,367	-
Mergers	10,015,194	7	10,015,194	7
Total capital surplus	21,819,350	15	21,745,417	15
Retained earnings				
Legal reserve	12,845,584	9	12,049,900	8
Special reserve	3,388,768	2	2,705,954	2
Unappropriated earnings	16,885,813	12	15,789,147	10
Total retained earnings	33,120,165	23	30,545,001	20
Other equity				
Exchange differences on translating the financial statements of foreign operations	(4,404,444)	(3)	(2,779,863)	(2)
Unrealized loss of financial assets at fair value through other comprehensive income	(312,940)	-	(449,461)	-
Gain on hedging instruments	288	-	2,714	-
Total other equity	(4,717,096)	(3)	(3,226,610)	(2)
Treasury shares	(1,271,314)	(1)	(1,248,722)	(1)
Total equity	72,459,775	50	71,323,756	48
TOTAL	\$ 146,013,538	100	\$ 149,513,781	100

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

LITE-ON TECHNOLOGY CORPORATION
Attachment 3-2
**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 22 and 28)	\$ 123,561,638	102	\$ 140,583,612	103
Less: Sales returns	626,709	-	864,980	1
Sales allowance	<u>2,063,499</u>	<u>2</u>	<u>2,549,242</u>	<u>2</u>
Total operating revenue	<u>120,871,430</u>	<u>100</u>	<u>137,169,390</u>	<u>100</u>
COST OF GOODS SOLD (Notes 12, 23 and 28)	<u>107,679,816</u>	<u>89</u>	<u>124,808,157</u>	<u>91</u>
GROSS PROFIT	13,191,614	11	12,361,233	9
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(54,041)</u>	<u>-</u>	<u>(113,044)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>13,137,573</u>	<u>11</u>	<u>12,248,189</u>	<u>9</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	2,024,057	2	3,002,405	2
General and administrative expenses	4,800,162	4	4,655,078	3
Research and development expenses	3,764,771	3	3,748,991	3
Expected credit gain (Notes 11 and 27)	<u>10,634</u>	<u>-</u>	<u>5,847</u>	<u>-</u>
Total operating expenses	<u>10,599,624</u>	<u>9</u>	<u>11,412,321</u>	<u>8</u>
OPERATING INCOME	<u>2,537,949</u>	<u>2</u>	<u>835,868</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method	5,620,984	5	10,463,878	7
Interest income	51,933	-	67,046	-
Dividend income	8,263	-	6,599	-
Other income (Note 28)	1,877,588	2	1,386,003	1
Net gain on disposal of property, plant and equipment	34,935	-	28,258	-
Net gain (loss) on disposal of investments	(31,365)	-	86,603	-
Net gain (loss) on foreign currency exchange	361,889	-	(525,188)	-
Net gain on financial assets at fair value through profit or loss	738,420	-	175,715	-
Finance costs	(462,006)	-	(450,762)	-
Other expenses	(179,153)	-	(50,472)	-
Impairment loss (Notes 12, 15 and 17)	<u>-</u>	<u>-</u>	<u>(3,394,351)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>8,021,488</u>	<u>7</u>	<u>7,793,329</u>	<u>5</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 10,559,437	9	\$ 8,629,197	6
INCOME TAX EXPENSE (Note 24)	<u>(1,184,538)</u>	<u>(1)</u>	<u>(672,359)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>9,374,899</u>	<u>8</u>	<u>7,956,838</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(11,835)	-	3,050	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	165,202	-	(78,200)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	68,930	-	(28,426)	-
Income tax relating to items will not be reclassified subsequently to profit or loss	<u>2,367</u>	<u>-</u>	<u>5,032</u>	<u>-</u>
	<u>224,664</u>	<u>-</u>	<u>(98,544)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(1,885,353)	(1)	(372,739)	-
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method	(160,531)	-	(47,500)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>419,542</u>	<u>-</u>	<u>164,533</u>	<u>-</u>
	<u>(1,626,342)</u>	<u>(1)</u>	<u>(255,706)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(1,401,678)</u>	<u>(1)</u>	<u>(354,250)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,973,221</u>	<u>7</u>	<u>\$ 7,602,588</u>	<u>6</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)				
From continuing operations				
Basic	<u>\$4.03</u>		<u>\$3.42</u>	
Diluted	<u>\$3.98</u>		<u>\$3.38</u>	

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

(Concluded)

LITE-ON TECHNOLOGY CORPORATION

Attachment 3-3

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Capital Surplus (Note 21)										Other Equity (Note 21)									
	Issue of Share Capital (Note 21)		Additional Paid-in Capital From Share Issuance in Excess of Par Value	Bond Conversions	Treasury Share Transactions	Recognized Changes in Percentage of Ownership Interest in Subsidiaries	Changes in Equities of Investments in Associates and Joint Ventures Accounted for Using the Equity Method	Mergers	Total	Legal Reserve	Retained Earnings (Note 21)			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Gain (Loss) on Hedging Instruments	Total	Treasury Shares (Note 21)	Total Equity
	(In Thousands)	Amount									Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2018	2,350,867	\$ 23,508,670	\$ 9,372,488	\$ 7,462,138	\$ 400,329	\$ 49,019	\$ 276,782	\$ 10,015,194	\$ 27,575,950	\$ 11,786,967	\$ 1,338,878	\$ 10,093,753	\$ 23,219,598	\$ (2,528,893)	\$ -	\$ (18,497)	\$ 3,372	\$ (2,544,018)	\$ (1,248,722)	\$ 70,511,478
Effect of retrospective application	-	-	-	-	-	-	-	-	-	-	-	279,769	279,769	-	(298,266)	18,497	-	(279,769)	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	2,350,867	23,508,670	9,372,488	7,462,138	400,329	49,019	276,782	10,015,194	27,575,950	11,786,967	1,338,878	10,373,522	23,499,367	(2,528,893)	(298,266)	-	3,372	(2,823,787)	(1,248,722)	70,511,478
Appropriation of 2017 earnings																				
Legal reserve	-	-	-	-	-	-	-	-	-	262,933	-	(262,933)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	1,367,076	(1,367,076)	-	-	-	-	-	-	-	-
Cash dividends - 4.1%	-	-	-	-	-	-	-	-	-	-	-	(963,855)	(963,855)	-	-	-	-	-	-	(963,855)
Distribution of cash dividends from capital surplus	-	-	(5,900,676)	-	-	-	-	(5,900,676)	-	-	-	-	-	-	-	-	-	-	-	(5,900,676)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(1,810)	-	(1,810)	-	-	-	39,722	39,722	-	(39,722)	-	-	(39,722)	-	(1,810)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	(5,415)	(5,415)	-	-	-	-	-	-	-	-	-	-	-	(5,415)
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	-	77,368	-	-	77,368	-	-	-	-	-	-	-	-	-	-	-	77,368
Disposal of investments in equity instruments designated as fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	3,460	3,460	-	(3,460)	-	-	(3,460)	-	-
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	4,078	-	-	-	4,078	-	4,078
Net profit for the year ended December 31, 2018	-	-	-	-	-	-	-	-	-	-	-	7,956,838	7,956,838	-	-	-	-	-	-	7,956,838
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	-	-	-	-	9,469	9,469	(255,048)	(108,013)	-	(658)	(363,719)	-	(354,250)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	-	-	-	-	7,966,307	7,966,307	(255,048)	(108,013)	-	(658)	(363,719)	-	7,602,588
BALANCE AT DECEMBER 31, 2018	2,350,867	23,508,670	3,471,812	7,462,138	477,697	47,209	271,367	10,015,194	21,745,417	12,049,900	2,705,954	15,789,147	30,545,001	(2,779,863)	(449,461)	-	2,714	(3,226,610)	(1,248,722)	71,323,756
Appropriation of 2018 earnings																				
Legal reserve	-	-	-	-	-	-	-	-	-	795,684	-	(795,684)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	682,814	(682,814)	-	-	-	-	-	-	-	-
Cash dividends - 29.2%	-	-	-	-	-	-	-	-	-	-	-	(6,864,532)	(6,864,532)	-	-	-	-	-	-	(6,864,532)
Acquisition of further interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(12,616)	(12,616)	-	-	-	-	-	-	(12,616)
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	1,089	-	1,089	-	-	-	(5,145)	(5,145)	-	-	-	-	-	-	(4,056)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	1,657	1,657	-	-	-	(5,585)	(5,585)	-	-	-	-	-	-	(3,928)
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	-	71,187	-	-	71,187	-	-	-	-	-	-	-	-	-	-	-	71,187
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	111,361	111,361	-	(111,361)	-	-	(111,361)	-	-
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	(665)	-	-	-	(665)	-	(665)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,592)	(22,592)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	9,374,899	9,374,899	-	-	-	-	-	-	9,374,899
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(23,218)	(23,218)	(1,623,916)	247,882	-	(2,426)	(1,378,460)	-	(1,401,678)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	9,351,681	9,351,681	(1,623,916)	247,882	-	(2,426)	(1,378,460)	-	7,973,221
BALANCE AT DECEMBER 31, 2019	2,350,867	23,508,670	3,471,812	7,462,138	548,884	48,298	273,024	10,015,194	21,819,350	12,845,584	3,388,768	16,885,813	33,120,165	(4,404,444)	(312,940)	-	288	(4,717,096)	(1,271,314)	72,459,775

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

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 10,559,437	\$ 8,629,197
Adjustments for:		
Depreciation expenses	696,541	598,560
Amortization expenses	204,529	280,321
Expected credit loss	10,634	5,847
Net gain on fair value changes of financial assets as at fair value through profit or loss	(738,420)	(175,715)
Finance costs	462,006	450,762
Interest income	(51,933)	(67,046)
Dividend income	(8,263)	(6,599)
Share of profit of subsidiaries and associates accounted for using the equity method	(5,620,984)	(10,463,878)
Net gain on disposal of property, plant and equipment	(34,935)	(28,258)
Net loss (gain) on disposal of investments	31,365	(86,603)
Impairment loss recognized (reversed) on non-financial assets	(121,539)	3,439,561
Unrealized gain on transactions with subsidiaries and associates	54,041	113,044
Unrealized net loss (gain) on foreign currency exchange	(561,451)	278,612
Recognition of provisions	255,747	406,941
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	609,515	-
Contract assets	353,456	(629,585)
Notes receivable	996	233
Trade receivables	4,706,057	235,654
Trade receivables from related parties	1,776,944	851,172
Other receivables	415,382	(473,608)
Other receivables from related parties	203,863	(158,826)
Inventories	532,837	(1,906,311)
Prepayments	17,723	(72,372)
Notes payable	(2,571)	1,941
Trade payables	(1,396,219)	(41,675)
Trade payables to related parties	(3,936,863)	6,702,480
Other payables	(843,924)	2,223,433
Other payables to related parties	193,050	(28,012)
Provisions	(243,250)	(270,937)
Advance receipts	427,211	(557,720)
Net defined benefit liabilities	(13,620)	(45,565)
Cash generated from operations	7,937,362	9,205,048
Interest received	53,437	67,652
Dividends received	8,262	6,599
Interest paid	(469,824)	(437,433)
Income tax paid	(328,751)	(219,506)
Net cash generated from operating activities	<u>7,200,486</u>	<u>8,622,360</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at fair value through other comprehensive income	\$ (11,500)	\$ (18,713)
Purchases of financial assets at amortized costs	(42,722)	(4,693)
Purchases of investments accounted for using the equity method	(2,013,931)	(1,350,950)
Proceeds from disposal of investments accounted for using the equity method	7,957	8,439
Net cash outflow on spin-off of subsidiaries (Note 14)	(2,176,374)	-
Proceeds from capital reduction of investments accounted for using the equity method	404,353	-
Purchases of property, plant and equipment	(1,812,444)	(1,485,369)
Proceeds from disposal of property, plant and equipment	64,094	103,268
Decrease (increase) in refundable deposits	(8,015)	6,353
Purchases of intangible assets	(231,573)	(130,933)
Proceeds from disposal of intangible assets	-	378,438
Decrease in other non-current assets	-	8
Dividends received from subsidiaries and associates	<u>367,957</u>	<u>309,030</u>
Net cash used in investing activities	<u>(5,452,198)</u>	<u>(2,185,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,269,010	-
Repayments of short-term borrowings	-	(26,825)
Proceeds from (refund of) guarantee deposits received	613	(39)
Repayments of the principal portion of lease liabilities	(52,621)	-
Cash dividends paid	(6,864,532)	(6,864,531)
Payments for buy-back of ordinary shares	<u>(22,591)</u>	<u>-</u>
Net cash used in financing activities	<u>(3,670,121)</u>	<u>(6,891,395)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,921,833)	(454,157)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,082,108</u>	<u>7,536,265</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,160,275</u>	<u>\$ 7,082,108</u>

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

(Concluded)

AUDIT COMMITTEE REPORT

To: Shareholders' Annual General Meeting for Year 2020, Lite-On Technology Corporation

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Lite-On Technology Corporation the 2019 Business Report, Financial Statements and the proposal of distribution of earnings. The Financial Statements have been duly audited by Certified Public Accountants Tsai, Cheng-Tsai and Chiu, Meng-Chieh of Deloitte Touche Tohmatsu International Taiwan. The above Business Report, Financial Statements and the proposal of distribution of earnings have been examined and determined to be correct by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman:

Mr. Albert Hsueh
February 26 2020

Lite-On Technology Corporation
Comparison Table of Amendments to the Regulation and Procedure for Board of Directors Meetings

AFTER Amendment	BEFORE Amendment	Description
<p>Article 12 The matters listed below as they relate to Lite-On Technology Corporation shall be raised for discussion at a board meeting:</p> <ul style="list-style-type: none"> A. Lite-On Technology Corporation's business plan. B. Annual financial reports <u>which are signed or sealed by the chairperson, managerial officer, and accounting officer.</u> C. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. D. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. E. The offering, issuance, or private placement of equity-type securities. F. The appointment or discharge of a financial, accounting, or internal audit officer. G. The hiring or dismissal of a certified public accountant, or their compensation. H. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be 	<p>Article 12 The matters listed below as they relate to Lite-On Technology Corporation shall be raised for discussion at a board meeting:</p> <ul style="list-style-type: none"> A. Lite-On Technology Corporation's business plan. B. Annual financial reports. C. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. D. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. E. The offering, issuance, or private placement of equity-type securities. F. The appointment or discharge of a financial, accounting, or internal audit officer. G. The hiring or dismissal of a certified public accountant, or their compensation. H. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 	<p>Amendments pursuant to the provisions of Article 36 of the Securities and Exchange Act</p>

<p>submitted to the following board of directors meeting for retroactive recognition.</p> <p>I. Any matter that, under laws, regulations, or bylaws, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in Subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD 100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>Each meeting of Lite-On Technology Corporation's board of directors shall be attended by at least one independent director in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to</p>	<p>I. Any matter that, under laws, regulations, or bylaws, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in Subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD 100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>Each meeting of Lite-On Technology Corporation's board of directors shall be attended by at least one independent director in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. if an independent director expresses an objection or reservation, the matter shall be recorded in the board meeting minutes; if an independent director intends to express an</p>	
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<p>attend as his or her proxy. if an independent director expresses an objection or reservation, the matter shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>Article 22 These Rules were established on November 24, 2006. The first amendment was made on April 25, 2007 and implemented by the 7th board of directors on June 21, 2007. The second amendment was made on April 7, 2008 and implemented on April 7, 2008. The third amendment was made on April 28, 2010 and implemented on April 28, 2010. The fourth amendment was made on October 24, 2012 and implemented on October 24, 2012. The fifth amendment was made on October 30, 2017 and implemented on October 30, 2017. The 6th amendment was on April 26, 2019 and the amended rules entered into force on April 26, 2019. The 7th amendment was on November 4, 2019 and the amended rules entered into force on November 4, 2019.</p>	<p>Article 22 These Rules were established on November 24, 2006. The first amendment was made on April 25, 2007 and implemented by the 7th board of directors on June 21, 2007. The second amendment was made on April 7, 2008 and implemented on April 7, 2008. The third amendment was made on April 28, 2010 and implemented on April 28, 2010. The fourth amendment was made on October 24, 2012 and implemented on October 24, 2012. The fifth amendment was made on October 30, 2017 and implemented on October 30, 2017. The 6th amendment was on April 26, 2019 and the amended rules entered into force on April 26, 2019.</p>	<p>Add new date of amendment</p>

AFTER Amendment	BEFORE Amendment	Description
<p>Article 14 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.</p> <p>The matters, except for annual financial reports, that are required to be approved by the Audit Committee and submitted to the board of directors for resolution pursuant to Article 14-5 of the Securities and Exchange Act may be passed with the consent of two thirds or more of the entire board of directors in the absence of the Audit Committee's approval. All such decisions shall be included with the Audit Committee's resolutions in the board meeting minutes.</p> <p><u>If the board of directors will decline to adopt, or will modify, a recommendation of the Compensation Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall be included in the board meeting minutes with giving the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the Compensation Committee.</u></p> <p>When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.</p> <p>If a vote on a proposal requires</p>	<p>Article 14 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.</p> <p>The matters, except for annual financial reports, that are required to be approved by the Audit Committee and submitted to the board of directors for resolution pursuant to Article 14-5 of the Securities and Exchange Act may be passed with the consent of two thirds or more of the entire board of directors in the absence of the Audit Committee's approval. All such decisions shall be included with the Audit Committee's resolutions in the board meeting minutes.</p> <p>When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.</p> <p>If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.</p> <p>Voting results shall be made known on-site immediately and recorded in writing.</p>	<p>It was revised in accordance with the resolution of the sixth Compensation Committee (109.03.12) of the sixth session.</p>

<p>monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.</p> <p>Voting results shall be made known on-site immediately and recorded in writing.</p>		
<p>Article 16 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ul style="list-style-type: none"> A. The meeting session (or year) and the time and place of the meeting. B. The name of the chair. C. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. D. The names and titles of those attending the meeting as non-voting participants. E. The name of the minute taker. F. The matters reported at the meeting. G. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant 	<p>Article 16 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ul style="list-style-type: none"> A. The meeting session (or year) and the time and place of the meeting. B. The name of the chair. C. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. D. The names and titles of those attending the meeting as non-voting participants. E. The name of the minute taker. F. The matters reported at the meeting. G. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting 	<p>It was revised in accordance with the resolution of the sixth Compensation Committee (109.03.12) of the sixth session.</p>

<p>to Article 12, Paragraph 5.</p> <p>H. Extraordinary motions: the name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>I. Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>(A) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>(B) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of Lite-On Technology Corporation.</p> <p>(C) The remuneration passed by the board of directors exceeds the recommendation of the</p>	<p>that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, Paragraph 5.</p> <p>H. Extraordinary motions: the name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>I. Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>(A) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>(B) A resolution is adopted with the</p>	
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<p style="text-align: center;"><u>Compensation Committee and approved by more than two-thirds of all directors.</u></p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of Lite-On Technology Corporation.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of Lite-On Technology Corporation.</p> <p>The meeting minutes of Paragraph 1 may be produced and distributed in electronic form.</p>	<p style="text-align: center;">approval of two-thirds or more of all directors, without having been passed by the audit committee of Lite-On Technology Corporation.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of Lite-On Technology Corporation.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of Lite-On Technology Corporation.</p> <p>The meeting minutes of Paragraph 1 may be produced and distributed in electronic form.</p>	
<p>Article 22 These Rules were established on November 24, 2006.</p> <p>The first amendment was made on April 25, 2007 and implemented by the 7th board of directors on June 21, 2007.</p> <p>The second amendment was made on April 7, 2008 and implemented on April 7, 2008.</p> <p>The third amendment was made on April 28, 2010 and implemented on April 28, 2010.</p> <p>The fourth amendment was made on October 24, 2012 and implemented on October 24, 2012.</p> <p>The fifth amendment was made on October 30, 2017 and implemented on</p>	<p>Article 22 These Rules were established on November 24, 2006.</p> <p>The first amendment was made on April 25, 2007 and implemented by the 7th board of directors on June 21, 2007.</p> <p>The second amendment was made on April 7, 2008 and implemented on April 7, 2008.</p> <p>The third amendment was made on April 28, 2010 and implemented on April 28, 2010.</p> <p>The fourth amendment was made on October 24, 2012 and implemented on October 24,</p>	<p>Add new date of amendment</p>

<p>October 30, 2017.</p> <p>The 6th amendment was on April 26, 2019 and the amended rules entered into force on April 26, 2019.</p> <p>The 7th amendment was on November 4, 2019 and the amended rules entered into force on November 4, 2019.</p> <p><u>The 8th amendment was on April 29, 2020 and the amended rules entered into force on April 29, 2020.</u></p>	<p>2012.</p> <p>The fifth amendment was made on October 30, 2017 and implemented on October 30, 2017.</p> <p>The 6th amendment was on April 26, 2019 and the amended rules entered into force on April 26, 2019.</p> <p>The 7th amendment was on November 4, 2019 and the amended rules entered into force on November 4, 2019.</p>	
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Lite-On Technology Corporation
Statement of Earnings Appropriation
Year 2019

Attachment 6

	Amount (NT\$)
Unallocated earnings, beginning of year	\$ 7,446,117,140
Add: adjustments on equity method investments	74,265,205
Less: adjustments on re-measurement on define benefit plans recognized in retained earnings	<u>(9,468,000)</u>
Adjusted unallocated earnings	7,510,914,345
Add: Net profit	9,374,898,902
Less: Legal reserve (10%)	(943,969,611)
Less: Special reserve	<u>(1,343,306,811)</u>
Distributable earnings	<u>14,598,536,825</u>
Distribution:	
(1) Cash dividends: (NT\$3.2/per share)	<u>(7,521,296,102)</u>
Unallocated earnings, end of year	<u>\$ 7,077,240,723</u>

Note:

Earnings Appropriation in the first three quarters of 2019

\$ -

Explanation:

1. When unallocated earnings on which 5% surtax is levied in accordance with Article 66-9 of the Income Tax Act is calculated, earnings of the latest year should be specifically identified and distributed first as required under Tai-Cai-Shui No. 871941343 of the Ministry of Finance dated April 30, 1998.
2. Under Rule No. 10802432410 issued by the Ministry of Economic Affairs, the basis of recognizing 10% legal reserve was modified as unappropriated earnings taken into consideration profit before income tax and items other than profit before income tax.
3. Special reserve is appropriated in accordance with Article 41 paragraph 1 of Securities and Exchange Act and Financial-Supervisory-Securities, No. 1010012865 of the Financial Supervisory Commission dated April 6, 2012 and No. 1010047490 of the Financial Supervisory Commission dated November 21, 2012.

Lite-On Technology Corporation

Comparison Table of Amendments to the Rules Governing the Election of Directors

AFTER Amendment	BEFORE Amendment	Description
<p>Article 4</p> <p><u>Within the scope of execution of business, an independent director of the company shall maintain independence, and may not have any direct or indirect interest relationship with the company.</u> During the two years before being elected or during the term of office, independent directors of Lite-On Technology Corporation may not have been or be any of the following:</p> <p>A. An employee of Lite-On Technology Corporation or any of its affiliates.</p> <p>B. A director or supervisor of Lite-On Technology Corporation or any of its affiliates. Exception shall apply to independent directors established by Lite-On Technology Corporation or its subsidiary pursuant to the Securities and Exchange Act or local laws and regulations.</p> <p>C. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of Lite-On Technology Corporation, or ranks among the ten largest natural-person shareholders.</p> <p>D. Personnel listed in Subparagraph 2 and 3 and a <u>A</u> spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship₂ of the managerial officer <u>under subparagraph 1 or any of the subparagraphs.</u> of the Company or affiliate company.</p> <p>E. A director, supervisor, or</p>	<p>Article 4</p> <p>During the two years before being elected or during the term of office, independent directors of Lite-On Technology Corporation may not have been or be any of the following:</p> <p>A. An employee of Lite-On Technology Corporation or any of its affiliates.</p> <p>B. A director or supervisor of Lite-On Technology Corporation or any of its affiliates. Exception shall apply to independent directors established by Lite-On Technology Corporation or its subsidiary pursuant to the Securities and Exchange Act or local laws and regulations.</p> <p>C. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of Lite-On Technology Corporation, or ranks among the ten largest natural-person shareholders.</p> <p>D. Personnel listed in Subparagraph 2 and 3 and a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the managerial officer of the Company or affiliate company.</p> <p>E. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of Lite-On Technology Corporation or of a corporate shareholder that ranks among</p>	<p>Amendments pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>

<p>employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of Lite-On Technology Corporation or of a corporate shareholder that ranks among the top five in shareholdings, <u>or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</u></p> <p>F. <u>If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</u></p> <p>G. <u>If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.</u></p> <p>H. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with Lite-On Technology Corporation.</p> <p>I. A professional individual who, <u>or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that,</u> provides auditing services for the Company or to any affiliate of the company, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting <u>or related</u> services</p>	<p>the top five in shareholdings.</p> <p>F. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with Lite-On Technology Corporation.</p> <p>G. A professional individual who, provides auditing services for the Company or to any affiliate of the company, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof that received cumulative compensation totaling over NT\$500,000 within two years. However, this excludes members of the Remuneration Committee who exercise power in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The requirement of the preceding paragraph in relation to "during the two years before being elected" does not apply where an independent director of Lite-On Technology Corporation has served as an independent director of Lite-On Technology Corporation or any of its affiliates, or of a specified company or institution that has a financial or business relationship with Lite-On Technology Corporation, as stated in subparagraph 2 or 6 of the preceding paragraph, but is currently no longer in that position.</p> <p>The term "specified company or institution" as used in paragraph 1, subparagraph 6, means a company or institution that has one of the following relationships with the Company:</p> <p>A. It holds 20 percent or more and</p>	
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~~or consultation~~ to the company or to any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof ~~that received cumulative compensation totaling over NT\$500,000 within two years~~. However, this excludes members of the Remuneration Committee who exercise power in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

The requirement of ~~the preceding~~ paragraph 1 in relation to "during the two years before being elected" does not apply where an independent director of Lite-On Technology Corporation has served as an independent director of Lite-On Technology Corporation or any of its affiliates, or of a specified company or institution that has a financial or business relationship with Lite-On Technology Corporation, as stated in subparagraph 2 or ~~68~~ of ~~the preceding~~ paragraph 1, but is currently no longer in that position.

The term "specified company or institution" as used in paragraph 1, subparagraph ~~68~~, means a company or institution that has one of the following relationships with the Company:

- A. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of Lite-On Technology Corporation.
- B. It holds shares, together with those held by any of its

no more than 50 percent of the total number of issued shares of Lite-On Technology Corporation.

- B. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the Company, and there is a record of financial or business transactions between it and the Company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.
- C. It and its group companies are the source of 30 percent or more of the operating revenue of the Company.
- D. It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the Company.

For the purposes of the preceding paragraph, the terms "subsidiary" and "group" shall have the meanings as determined under International Financial Reporting Standards 10.

No independent director may concurrently serve as an independent director of more than three other public companies.

directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the Company, and there is a record of financial or business transactions between it and the Company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.

- C. It and its group companies are the source of 30 percent or more of the operating revenue of the Company.
- D. It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the Company.

For the purposes of ~~the preceding~~ paragraph [1 and 2](#), the terms "subsidiary" and "group" shall have the meanings as determined under International Financial Reporting Standards 10.

[The term "affiliate" in paragraphs 1 and 3 means an affiliated enterprise under Chapter VI-1 of the Company Act, or a company for which consolidated financial reports are required to be prepared under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises or under International Financial Reporting Standard 10.](#)

No independent director may concurrently serve as an independent director of more than three other public companies.

<p>Article 5</p> <p>The election of directors (including independent directors) of Lite-On Technology Corporation is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Lite-On Technology Corporation, and that shareholders shall elect directors (including independent directors) from among the those listed in the slate of director candidates.</p> <p>Where the number of independent directors falls below the minimum specified in the proviso under Article 14-2, Paragraph 1 of the Securities and Exchange Act and fails to satisfy the provisions in the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting.</p> <p><u>When the number of independent directors violates the provisions of Article 4 (2) of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, it shall be corrected within three months from the date of the fact.</u> In the event that all the independent directors have been discharged, an extraordinary shareholders' meeting shall be convened to hold a by-election within sixty days from the date of such occurrence.</p> <p>Lite-On Technology Corporation shall prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of director (including independent director) candidates, the number of directors (including independent directors) to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.</p> <p>Lite-On Technology Corporation may present a slate of director (including independent director) candidates nominated by the methods set out below,</p>	<p>Article 5</p> <p>The election of directors (including independent directors) of Lite-On Technology Corporation is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Lite-On Technology Corporation, and that shareholders shall elect directors (including independent directors) from among the those listed in the slate of director candidates.</p> <p>Where the number of independent directors falls below the minimum specified in the proviso under Article 14-2, Paragraph 1 of the Securities and Exchange Act and fails to satisfy the provisions in the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. In the event that all the independent directors have been discharged, an extraordinary shareholders' meeting shall be convened to hold a by-election within sixty days from the date of such occurrence.</p> <p>Lite-On Technology Corporation shall prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of director (including independent director) candidates, the number of directors (including independent directors) to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.</p> <p>Lite-On Technology Corporation may present a slate of director (including independent director) candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified director (including independent director) candidates, submit it to the shareholders' meeting for elections:</p> <p style="padding-left: 40px;">D. A shareholder holding one</p>	<p>Amendments pursuant to the provisions of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers</p>
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and, upon evaluation by the board of directors that all candidates so nominated are qualified director (including independent director) candidates, submit it to the shareholders' meeting for elections:

- A. A shareholder holding one percent or more of the total number of issued shares may present a slate of director (including independent director) candidates in writing to the Company; the number of nominees may not exceed the number of directors (including independent directors) to be elected.
- B. The board of directors presents a slate of director (including independent director) candidates; the number of nominees may not exceed the number of directors (including independent directors) to be elected.
- C. Otherwise as designated by the competent authority.

When providing a recommended slate of independent director candidates under the preceding paragraph, a shareholder or the board of directors shall specify each nominee's name, educational background, work experience, and submit therewith documentation that the independent director nominees meet the requirements of in the preceding paragraph and provide documents specified in Article 32, Paragraph 1 and the preceding two articles Article 4 regarding qualifications of the nominees and other certification documents documentary proof.

If independent directors are nominated, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each director (including independent director) nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of director (including independent director) candidates:

percent or more of the total number of issued shares may present a slate of director (including independent director) candidates in writing to the Company; the number of nominees may not exceed the number of directors (including independent directors) to be elected.

- E. The board of directors presents a slate of director (including independent director) candidates; the number of nominees may not exceed the number of directors (including independent directors) to be elected.
- F. Otherwise as designated by the competent authority.

When providing a recommended slate of candidates under the preceding paragraph, a shareholder or the board of directors shall specify each nominee's name, educational background, work experience, independent director nominees in the preceding paragraph and provide documents specified in Article 3, Paragraph 1 and Article 4 regarding qualifications of the nominees and other certification documents.

If independent directors are nominated, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each director (including independent director) nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of director (including independent director) candidates:

- F. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.
- G. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the Company under Article 165, paragraph 2

<p>A. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.</p> <p>B. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the Company under Article 165, paragraph 2 or 3 of the Company Act.</p> <p>C. Where the number of nominees exceeds the number of directors (including independent directors) to be elected.</p> <p>D. Where the nominating shareholder fails to specify the name, education, and experience of the nominee.</p> <p>E. Where the relevant documentary proof for independent directors required under the preceding paragraph is not attached.</p> <p>If an independent director candidate included by the Company under the provisions of the preceding paragraph has already served as an independent director of the Company for three consecutive terms or more, Lite-On Technology Corporation shall publicly disclose, together with the slate of candidates under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the aforementioned reasons to the shareholders at the time of the election at the shareholders' meeting.</p> <p>The Company shall announce the slate of director (including independent director) candidates and their education and experience as well as the number of shares held by each candidate at least 40 days prior to the upcoming shareholders' meeting or 25 days prior to the upcoming extraordinary shareholders' meeting.</p> <p>A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than</p>	<p>or 3 of the Company Act.</p> <p>H. Where the number of nominees exceeds the number of directors (including independent directors) to be elected.</p> <p>I. Where the nominating shareholder fails to specify the name, education, and experience of the nominee.</p> <p>J. Where the relevant documentary proof for independent directors required under the preceding paragraph is not attached.</p> <p>If an independent director candidate included by the Company under the provisions of the preceding paragraph has already served as an independent director of the Company for three consecutive terms or more, Lite-On Technology Corporation shall publicly disclose, together with the slate of candidates under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the aforementioned reasons to the shareholders at the time of the election at the shareholders' meeting.</p> <p>The Company shall announce the slate of director (including independent director) candidates and their education and experience as well as the number of shares held by each candidate at least 40 days prior to the upcoming shareholders' meeting or 25 days prior to the upcoming extraordinary shareholders' meeting.</p> <p>A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors on the board.</p>	
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half of the directors on the board.		
<p>Article 17</p> <p>The rules were established on March 13, 1989.</p> <p>The first amendment was made on May 19, 1998.</p> <p>The second amendment was made on May 21, 2002.</p> <p>The third amendment was made on June 21, 2007.</p> <p>The fourth amendment was made on June 19, 2012.</p> <p>The fifth amendment was made on June 19, 2013.</p> <p>The sixth amendment was made on June 24, 2015.</p> <p>The seventh amendment was made on June 24, 2016.</p> <p>The eighth amendment was made on June 22, 2018.</p> <p>The 9th amendment was on June 21, 2019.</p> <p><u>The 10th amendment was on June 15, 2020.</u></p>	<p>Article 17</p> <p>The rules were established on March 13, 1989.</p> <p>The first amendment was made on May 19, 1998.</p> <p>The second amendment was made on May 21, 2002.</p> <p>The third amendment was made on June 21, 2007.</p> <p>The fourth amendment was made on June 19, 2012.</p> <p>The fifth amendment was made on June 19, 2013.</p> <p>The sixth amendment was made on June 24, 2015.</p> <p>The seventh amendment was made on June 24, 2016.</p> <p>The eighth amendment was made on June 22, 2018.</p> <p>The 9th amendment was on June 21, 2019.</p>	<p>Add new date of amendment</p>

Comparison Table of Amendments to the Rules and Procedures of Shareholders' Meeting

Contents after Amendment	Contents before Amendment	Explanation
<p>3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. This Corporation 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 or supervisors, 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.</p> <p>This Corporation 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, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being</p>	<p>3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. This Corporation 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 or supervisors, 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.</p> <p>This Corporation 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, this Corporation 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</p>	<p>Duly amended in accordance with the law and “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”.</p>

distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, [capital reduction](#), [application for cessation of public offering](#), [release of directors from non-competition restrictions](#), [capital increase from earnings](#), [capital increase from surplus](#), the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act ~~or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers~~ shall be set out in the notice of the reasons for convening the shareholders meeting [and explain its main content](#). None of the above matters may be raised by an extraordinary motion. [The main content may be placed on the website designated by the securities authority or the company, and its website shall be stated in the meeting notice. If the reasons for convening the general meeting of shareholders have specified that the Company will wholly re-elect directors and the date of appointment. When the re-election of the directors is completed in the aforementioned shareholders' meeting, the appointment date shall not be changed](#)

supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Company for discussion at a regular shareholders meeting pursuant to Article 172-1 of the Company Act.

at the same meeting by raising a provisional motion or any other methods.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Company for one discussion at a regular shareholders meeting ~~pursuant to Article 172-1 of the Company Act.~~ more than one proposal will not be included in the proposals for discussion.

However, if there is a proposal to urge the Company to promote public interest or fulfill social responsibilities, the board of directors can include the proposal for discussion. If the proposal proposed by the shareholder is under the circumstances in paragraph 4 of Article 172-1 of the Company Law, the board of directors can exclude the proposal for discussion.

The company should notify the shareholders the acceptance of shareholders' proposals, acceptance methods (written or electronic), acceptance premises, and acceptance period before the shareholders' book closing date of the regular shareholders' meeting; The period of acceptance shall not be less than ten days.

Proposals proposed by shareholders are limited to three hundred words, and those exceeding three hundred words shall not be included in the proposal; the shareholders of the proposal shall personally or entrust others to attend the general meeting of shareholders and participate in the discussion of the proposal.

The company should notify the

<p><u>shareholders for the processing results before the notice date of the shareholders' meeting, and list the proposals that are conformity with the rules in the meeting notice. For the shareholders' proposals that are not included in the proposal, the board of directors shall explain the reasons for the non-listing at the shareholders' meeting</u></p>		
<p>10 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors.</p> <p><u>Relevant motions (including provisional motions and amendments to the original motions) should be voted by poll.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by</p>	<p>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.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by</p>	

<p>agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>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 <u>and</u> <u>arrange adequate voting time</u>.</p>	<p>the attending shareholders, and then continue the meeting.</p> <p>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.</p>	
<p>13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholders meeting, it may allow the shareholders to <u>adopt electronic means and may</u> exercise <u>its</u> voting rights <u>in writing</u> by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be established in accordance with the laws and 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 this Corporation avoid the submission of extraordinary</p>	<p>13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be established in accordance with the laws and 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</p>	

motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote

advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting

<p>of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>At the time of a vote, if no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as approval by vote.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing.</p>	<p>rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p> <p>At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>At the time of a vote, if no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as approval by vote.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further</p>	
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	<p>voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing.</p>	
<p>15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be <u>produced and distributed electronically</u> in accordance with the Company v Act.</p> <p><u>The distribution of the proceedings in the preceding paragraph allows the company to enter the announcement to the MOPS.</u></p> <p>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 voting results <u>(Including statistical weights), the number of votes for each candidate should be disclosed when electing directors</u> and shall be retained for the duration of the existence of this Corporation.</p>	<p>15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be distributed in accordance with the Company v Act.</p> <p>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 this Corporation.</p>	
<p>20. The Measures were established on March</p>	<p>20. The Measures were established on</p>	<p>Addition of date</p>

<p>13, 1989.</p> <p>The 1st Amendment was made on May 19, 1998.</p> <p>The 2nd Amendment was made on May 21, 2002.</p> <p>The 3rd Amendment was made on June 19, 2013.</p> <p>The 4th Amendment was made on June 24, 2015.</p> <p>The 5th Amendment was made on June 15, 2020.</p>	<p>March 13, 1989.</p> <p>The 1st Amendment was made on May 19, 1998.</p> <p>The 2nd Amendment was made on May 21, 2002.</p> <p>The 3rd Amendment was made on June 19, 2013.</p> <p>The 4th Amendment was made on June 24, 2015.</p>	<p>of amendment</p>
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Lite-On Technology Corporation
Rules and Procedures of Shareholders' Meeting

Appendix 1

1. To establish a strong governance system and sound supervisory capabilities for this Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation 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 or supervisors, 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. This Corporation 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, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Company for discussion at a regular shareholders meeting pursuant to Article 172-1 of the Company Act.

4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall

prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

5. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting

6. This Company shall furnish the shareholders meeting notice with the time and venue for signing in. The aforementioned time for signing in shall be at least 30 minutes before the shareholder meeting starts. There shall be signs to direct shareholders to proceed to the venue for signing in and personnel who are suitable in charge.

Shareholders or their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the board of directors to act as chair. Where the chairperson does not make such a designation, the board or the directors shall select from among themselves one person to serve as chair.

The board of director who serve as chair shall be in his post for more than six months and familiar with the Company's financials and operations. The same applies to the director who serve as chair and who represents a corporation.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of

directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

8. This Corporation shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
9. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the Notice of attendance handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

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.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue 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.

11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

12. Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be established in accordance with the laws and 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 this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

At the time of a vote, if no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as approval by vote.

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

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

Vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing.

14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately.

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.

15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be distributed in accordance with the Company v Act.

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 this Corporation.

16. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

17. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct relevant personnel to escort the shareholder from the meeting.

18. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

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

20. The Measures were established on March 13, 1989.
The 1st Amendment was made on May 19, 1998.
The 2nd Amendment was made on May 21, 2002.
The 3rd Amendment was made on June 19, 2013.
The 4th Amendment was made on June 24, 2015.

Lite-On Technology Corporation
Articles of Incorporation

Chapter One General Provisions

Article I The Company is duly incorporated in accordance with provisions governing limited companies under the Company Law in the full name of Lite-On Technology Corporation (Hereinafter referred to as the “Company”).

Article II The Company shall engage in the following business:

1. C804020 Manufacture of industry-oriented rubber products.
2. C805050 Manufacture of industry-oriented plastic products.
3. CB01010 Manufacture of machinery & equipment
4. CB01020 Business machinery manufacture.
5. CC01010 Electric Power Supply, Electric Transmission and Power Distribution
Machinery Manufacturing
6. CC01030 Manufacture of electrical appliance and audio and visual electronic products.
7. CC01040 Lighting Facilities Manufacturing
8. CC01060 Manufacture of wire communications machinery & equipment.
9. CC01070 Manufacture of wireless communications machinery & equipment.
10. CC01080 Manufacture of electronic parts & components.
11. CC01090 Batteries Manufacturing
12. CC01101 Manufacture of telecommunications controlled frequency RF equipment
manufacture.
13. CC01110 Computers and Computing Peripheral Equipments Manufacturing
14. CC01120 Data storage media manufacture and duplication.
15. CC01990 Electrical Machinery, Supplies Manufacturing
16. CD01030 Manufacture of automobile and automobile parts & components.
17. CD01040 Motor Vehicles and Parts Manufacturing
18. CE01010 Precision Instruments Manufacturing
19. CE01030 Manufacture of Optical instrument.
20. CF01011 Medical Materials and Equipment Manufacturing
21. CH01040 Manufacture of toy.
22. CQ01010 Manufacture of mold.
23. E601010 Electric Appliance Construction
24. E603090 Illumination Equipments Construction
25. E801010 Interior decoration services
26. F106030 Mold wholesale.
27. F108031 Wholesale of Drugs, Medical Goods
28. F109070 Cultural, educational, music and recreational article & instrument wholesale.
29. F111090 Building material wholesale
30. F113010 Machinery wholesale.
31. F113020 Electrical appliance wholesale.

32. F113030 Precise instrument wholesale.
33. F113050 Computer & business machinery & equipment wholesale.
34. F113070 Telecommunication equipment wholesale.
35. F113110 Wholesale of Batteries
36. F114010 Wholesale of Automobiles
37. F114020 Wholesale of Motorcycles
38. F114030 Automobile, motorcycle parts & accessories wholesale.
39. F118010 Information software wholesale.
40. F119010 Electronic material wholesale.
41. F206030 Mold retail.
42. F209060 Cultural, educational, music and recreational article & instrument retail.
43. F211010 Building material retail.
44. F213010 Electric appliance retail.
45. F213030 Computer & business machinery & equipment retail.
46. F213040 Precise instrument retail.
47. F213060 Telecommunication equipment retail.
48. F213080 Machinery & appliance retail.
49. F213110 Retail Sale of Batteries
50. F214010 Retail Sale of Automobiles
51. F214020 Retail Sale of Motorcycles
52. F214030 Automobile, motorcycle parts & accessories retail.
53. F218010 Information software retail.
54. F219010 Electronic material retail.
55. F401010 International trade.
56. F401021 Import of controlled telecommunication frequency RF equipment.
57. G801010 Warehousing services.
58. H701010 Housing and building development, lease and sales.
59. I102010 Investment consultancy.
60. I103060 Management consultancy.
61. I301010 Information software services.
62. I301020 Data Processing Services
63. I501010 Product design business
64. I503010 Landscaping, interior design business.
65. IC01010 Pharmaceuticals Examining Services
66. IG03010 Energy Technical Services
67. ZZ99999 The Company may, other than those businesses subject to special permission (franchise), engage in all businesses except those banned or restricted by laws.

Article III

The Company is headquartered in Taipei City and may have branches set elsewhere at home and abroad as resolved by the Board of Directors.

The Company may invest outward with the total amount of investment free of restrictions as set forth in Article 13 of the Company Law.

The Company may act as a guarantor when required for business operations and follow Operational Procedures for Endorsements/Guarantees of the Company.

Chapter Two Shares

Article IV

The total capital of the Company amounts to Thirty-Five Billion New Taiwan Dollars,

divided into 3.5 billion shares at Ten New Taiwan Dollars par value each. The Board of Directors is authorized with full powers to issue shares in partial installments. Preferred shares may be issued within the total capital. Of the total number of shares aforementioned, one hundred million shares are reserved to be issued as stock options, preferred shares with stock options or corporate bonds with stock options ready for exercise of options.

Article IV-1 The Company may issue employee stock options at an issuing price lower than the closing price of the Company's common shares on the date of issuance only upon the decision resolved by two thirds of present shareholders who represent a majority of the total issued shares in the shareholders' meeting.

When the Company intends to transfer shares to employees at a price lower than the average of actual repurchase prices, such transfer shall be duly posed at the latest shareholders' meeting to be resolved by two thirds of votes in the shareholders' meeting where present shareholders represent a majority of the total issued shares.

Article V For the shares issued by the Company, the Company may be exempted from printing share certificates but shall have the shares so issued duly registered with the centralized securities depository enterprise and follow the regulations of that enterprise.

Article VI Unless otherwise prescribed in laws, the Company shall manage share transfer, pledge of rights, register for loss, succession, gift, change in address, report-for-loss and replacement of registered specimen seals exactly in accordance with the "Regulations Governing Equity Affairs of Public Companies".

Article VII No transfer of shares shall be handled within sixty days prior to the regular shareholders' meeting, or within thirty days prior to a special meeting of shareholders, or within five days prior to the record (base) date scheduled to distribute dividends, bonuses or other benefits.

Chapter Three Shareholders' meeting

Article VIII The shareholders' meeting hereof is in two categories: regular meetings and special meetings. The former is convened once a year within six months from the closing of each fiscal year and the latter may be duly called whenever necessary.

Article IX A shareholder who is unavailable to attend the shareholders' meeting may duly present a power of attorney with the form provided by the Company, bearing the scope of the authorized powers to authorize a proxy to attend on-behalf. The power of attorney shall be duly used in accordance with applicable laws and ordinances and the rules promulgated by the competent authority.

Article X The shareholders' meeting convened by the Board of Directors shall be chaired by the chairman. During the chairman's absence or unavailability for performance of duties, the substitution shall be duly handled in accordance with Article 208 of the Company Law. In the event that the shareholders' meeting is convened by a person beyond the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

Article XI The Company's shareholders are entitled to one voting right per share, provided that

shareholders have no voting right for shares held under Article 179 of the Company Law.

Article XII Unless otherwise provided for in applicable laws and regulations, decisions in the shareholders' meeting shall be resolved by a majority of votes in the meeting where present shareholders represent a majority of the total issued shares.

Article XIII Minutes of the shareholders' meeting shall be duly recorded to cover the decisions resolved, to be duly signed or affixed by the chairperson and delivered to all shareholders within twenty days after the meeting and be distributed to all shareholders of the company in accordance with Company Law. The minutes shall include the month, date, year, location, the chairperson's name, method to resolve a decision, the highlights of discussion and results thereof. The minutes of the shareholders' meeting shall be archived in the Company along with the shareholders' sign-in book and powers of attorney presented by proxies according to law.

Chapter Four Directors and Audit Committee

Article XIV The Company has seven to eleven directors, elected in the shareholders' meeting from the candidate of disposing capacity, with a three-year tenure of office and eligible for reelection. Directors shall be duly elected in accordance with Regulations Governing Election of Directors of the Company.

The aforementioned number of directors shall include a minimum of three independent directors (including a minimum of one independent director in the expertise of accounting or finance), and the number of independent directors shall not be less than the minimum of one-fifth of the total number of director seats. Board of Directors (including independent directors) are elected in a candidate nomination system set forth in Article 192-1 of the Company Act. The shareholders' meeting shall elect the right independent directors out of the list of candidates. Matters regarding independent directors' professional qualification requirements, shareholding, restriction on concurrent post, recognition of independence, methods of nomination and election, and other matters to be complied with shall be duly handled in accordance with the requirements promulgated by the competent authority in charge of securities affairs.

The Company duly establishes the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Law which shall be duly organized by independent directors in full. The total number of the Company's shares held by all directors shall not be less than the percentage promulgated by the competent authority.

Article XV The Board of Directors is duly organized by directors. By attendance of two thirds of directors and a majority of votes of attending directors, one chairman shall be duly elected. In the same manner, one vice chairman shall be elected as necessary. The chairman shall chair the shareholders' meeting and Board of Directors meeting internally and represent the Company externally and preside over all the Company's business affairs, as assisted by the Vice Chairman.

Article XVI Where the seats of directors are vacated by one-third, a shareholders' meeting shall be duly

held to elect ones supplementary to serve the tenure of office remaining by the predecessors.

Article XVII The Board of Directors shall convene the meeting on a quarterly basis and may convene an extraordinary meeting whenever the chairman considers it necessary or on the requisition of two or more directors. Board of Directors meetings shall be convened and chaired by the chairman in all cases. During the chairman's absence or unavailability for performance of duties, the substitution shall be duly handled in accordance with Article 208 of the Company Law.

Notices for convening meetings may be made in writing or by e-mail or fax. An extraordinary meeting may be convened at any time in case of an emergency.

The Board of Director meetings may be conducted by video conference. Directors who participate in the meeting through video conference are deemed to have attended in person.

Article XVIII Unless otherwise provided for in the Company Law, decisions in the Board of Directors meeting shall be resolved by a majority of votes in the meeting where attending directors represent a majority of the total number of directors. A director who is unavailable to attend the board of directors meeting may be represented by another director per Article 205 of the Company Law.

Article XIX Minutes of a board of directors meeting shall be duly recorded, to be duly signed and affixed seal by the chairperson and delivered to all directors within twenty days after the meeting. The minutes shall include the highlights of discussion and results thereof. The minutes of the board of directors meeting shall be archived in the Company along with the directors' sign-in book and powers of attorney presented by proxies according to law.

Article XX Organization, authority of office, rules and procedures of meetings and other matters to be complied with of the Company's Audit Committee shall be in conformity with the requirements of the competent authority.

Article XX-1 Remuneration to directors shall be duly determined by the Board of Directors with reference to the level of their participation in the business operation and values of their contribution as well as the level prevalent in fellow firms at home and abroad.

Article XX-2 The Company may purchase liability insurance for directors for the term of their office to insure them for potential risk in exercise of their duties.

Chapter Five Managers and staff members

Article XXI The Company may, as resolved in the Board of Directors, have a certain number of manages all of whom shall be duly appointed, discharged and paid in accordance with Article 29 of the Company Law.

Chapter Six Accounting

Article XXII Upon closing of each fiscal year, the Board of Directors shall prepare the following documents and submit such documents to the shareholders' meeting for adoption. In case of other requirements set forth in the Securities and Exchange Law or other laws and ordinances concerned, such Securities and Exchange Law and other laws and ordinances

concerned shall govern. 1. Business report; 2. Financial Statements; and 3. Proposals of profit appropriation or loss coverage.

Article XXIII The Company shall allocate the following compensation from the profit of each fiscal year (The “profit” means “profit before income tax and employees’ and directors’ compensation”), however, the Company shall have reserved a sufficient amount from such profit to offset its accumulated losses (including unappropriated earnings adjustment if any):

1. Employees’ compensation : no less than 1%
2. Directors’ compensation : no more than 1.5%

The employees’ compensation under the preceding paragraph will be distributed by shares or cash. The employees of parents or subsidiaries of the Company meeting certain specific requirements may also be entitled to such compensation. The Board of Directors is authorized with full powers to determine the terms and methods of appropriation and the Directors’ compensation may only be distributed by cash.

The Company shall, upon a resolution of the Board of Directors, distribute employees’ and director’s compensation in the preceding two paragraphs, and report to the shareholders’ meeting for such distribution. While the Company distributes surplus earnings at the close of each quarter in accordance with the Article 24 paragraph 5, the Company shall estimate and reserve the employees’ compensation and directors’ compensation according to the preceding paragraph. If the Company has accumulated losses, the Company shall estimate and reserve the accumulated losses to be made up first before estimating and reserving the employees’ compensation and directors’ compensation. Qualification requirement of employees in the preceding second paragraph shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.

Article XXIV If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first to offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve amounts reach to the total capital of the Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any) , shall be distributed into dividends to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders’ meeting for approval.

Where the Company distributes preceding surplus earning, legal reserve and capital reserve in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting; if such distribution is in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.

In consideration of business development plan, investing environment, demand for funds, global competitiveness and the shareholders’ interest, the Dividend Policy of the Company is the distribution to shareholders with the appropriation of the amount which shall be no less than 70% of the net profit after income tax under the circumstance that there is no cumulated loss in prior years. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 90% of the total distributed dividends.

In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with

relevant laws or regulations or the orders of the authorities in charge.

The Company may distribute the surplus earnings or off-set losses at the close of each quarter in accordance with the Company Act. While distributing surplus earning, the Company shall estimate and reserve the taxes and duties to be paid, the losses to be covered, the legal reserve to be set aside, and the special surplus reserve to be raised or revolved. Where such legal reserve amounts reach to the total paid-in capital, this provision shall not apply. If the Company distribute surplus earning in the form of cash, it shall be approved by a meeting of the board of directors; if such surplus earning is distributed in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.

Article XXIV-1 Qualification requirements of employees entitled to receive treasury shares, share subscription warrant, new shares and restricted stock issued by the Company may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Chapter Seven Bylaws

Article XXV The Company's organizational regulations and operational rules shall be separately enacted by the Board of Directors.

Article XXVI (Delete)

Article XXVII Any matters insufficiently provided for in the Articles of Incorporation shall be subject to the Company Law and other applicable laws and ordinances.

Article XXVIII The Articles of Incorporation and amendment hereof, if any, shall come into enforcement after being resolved in the shareholders' meeting, submitted to and approved by the competent authority.

Article XXIX The Articles were duly stipulated on March 13, 1989.

The Articles were duly amended on March 20, 1990 as the 1st amendment.

The Articles were duly amended on May 11, 1991 as the 2nd amendment.

The Articles were duly amended on May 20, 1992 as the 3rd amendment.

The Articles were duly amended on June 27, 1992 as the 4th amendment.

The Articles were duly amended on June 21, 1993 as the 5th amendment.

The Articles were duly amended on December 18, 1993 as the 6th amendment.

The Articles were duly amended on May 30, 1995 as the 7th amendment.

The Articles were duly amended on April 2, 1996 as the 8th amendment.

The Articles were duly amended on May 6, 1997 as the 9th amendment.

The Articles were duly amended on May 19, 1998 as the 10th amendment.

The Articles were duly amended on June 21, 1999 as the 11th amendment.

The Articles were duly amended on May 31, 2000 as the 12th amendment.

The Articles were duly amended on April 19, 2001 as the 13th amendment.

The Articles were duly amended on May 21, 2002 as the 14th amendment.

The Articles were duly amended on August 5, 2002 as the 15th amendment.

The Articles were duly amended on May 13, 2003 as the 16th amendment.

The Articles were duly amended on June 15, 2004 as the 17th amendment.

The Articles were duly amended on June 14, 2005 as the 18th amendment.
The Articles were duly amended on June 21, 2006 as the 19th amendment.
The Articles were duly amended on June 21, 2007 as the 20th amendment.
The Articles were duly amended on June 25, 2008 as the 21st amendment.
The Articles were duly amended on June 15, 2010 as the 22nd amendment.
The Articles were duly amended on June 19, 2012 as the 23rd amendment.
The Articles were duly amended on June 19, 2013 as the 24rd amendment.
The Articles were duly amended on June 19, 2014 as the 25th amendment.
The Articles were duly amended on June 24, 2015 as the 26th amendment.
The Articles were duly amended on June 22, 2017 as the 27th amendment
The Articles were duly amended on June 22, 2018 as the 28th amendment
The Articles were duly amended on June 21, 2019, as the 29th amendment

Impact of issuance of stock dividends proposed in this shareholders' meeting upon the Company's business performance, earning per share (EPS) and shareholder investment return

(Note1) Only cash dividends and no stock dividends were proposed in the Company's 2020 shareholder meeting.

(Note2) In accordance with the "Guidelines for Disclosure of the Financial Forecast by Public Companies", it is not necessary for the Company to disclose financial forecast information of 2020. This information related to change of operating performance and pro forma earnings per share and the PE ratio are not applicable.

Lite-On Technology Corporation

The individual and overall shareholding by directors and supervisors as entered in the Register (Roster) of Shareholders is as follows:

- I. In accordance with Article 26 of the Securities and Exchange Act, the Company's directors shall at least hold a total of 56,420,808 shares. As of April 17, 2020, the entire directors of the Company held 139,160,362 shares.
- II. The Company has established an Audit Committee; the requirements for shareholding by supervisors are not applicable.
- III. Shares held by Independent Directors are not counted towards the shares held by all directors.
- IV. Shareholding facts by all Directors: The record (base) date is the date on which transfer is suspended, i.e., April 17, 2020.

Position	Name	Date when elected	Tenure of office	Number of shares held when being elected	Number of shares held on the date when transfer is suspended
Chairman	Raymond Soong	2019.06.21	Three years	79,302,560	79,302,560
Vice Chairman	Warren Chen	2019.06.21	Three years	7,349,116	7,349,116
Director	Tom Soong	2019.06.21	Three years	5,420,287	5,420,287
Director	Ta-Sung Investment Co., Ltd. Representative: Keh-Shew Lu	2019.06.21	Three years	47,088,399	47,088,399
Director	Ta-Sung Investment Co., Ltd. Representative CH Chen	2019.06.21	Three years	47,088,399	47,088,399
Independent Director	Albert Hsueh	2019.06.21	Three years	0	0
Independent Director	Harvey Chang	2019.06.21	Three years	0	0
Independent Director	Edward Yang	2019.06.21	Three years	0	0
Independent Director	Mike Yang	2019.06.21	Three years	0	0
The total of all directors (Note III)				139,160,362	139,160,362