Lite-On Technology Corporation

Extraordinary General Meeting of Shareholders for 2019

Meeting Agenda

Date: October 25, 2019 at 1:00 p.m.
Location: 1F, No. 392, Ruey Kuang Road, Neihu Dist., Taipei City
(International Convention Center, Lite-On Technology Building)
Meeting Procedure for the Extraordinary General Meeting of Shareholders for 2019

I. Chairperson Calls Meeting to Order

II. Opening Remarks by the Chairperson

III. Proposals and Discussions

IV. Provisional Motions

V. Adjournment
Lite-On Technology Corporation

Agenda of the Extraordinary General Meeting of Shareholders for 2019

I. Chairperson Calls the Meeting to Order (and reports equity shares in attendance)

II. Opening Remarks by the Chairperson

III. Proposals, Election and Discussions
   i. Spin off Solid State Storage Business Unit to “SOLID STATE STORAGE CORPORATION”.

IV. Provisional Motions

V. Adjournment
III. Proposals and Discussions

Proposed by the Board of Directors

i. Proposal: Spin off Solid State Storage Business Unit to “SOLID STATE STORAGE CORPORATION”.

Explanation:
1. In accordance with Article 35 of the Business Mergers and Acquisitions Act, Lite-On Technology Corp plans to spin-off the operation and assets of solid state storage business to 100% owned subsidiary “SOLID STATE STORAGE TECHNOLOGY CORPORATION” in order to facilitate group strategic goal and also enhance competitiveness of SSD business.
2. Net asset value of SSD business is NT$4,482,404,000. The calculation of net asset value is based on 2019.6.30 audited report. SOLID STATE STORAGE TECHNOLOGY CORPORATION will issue 448,240,400 new common shares at NT$10 per share to acquire the spin-off net asset. Lite-On Technology Corp. will receive 448,240,400 new common shares at NT$10 per share of SOLID STATE STORAGE TECHNOLOGY CORPORATION after the completion of spin-off. Independent expert’s report on the fairness of spin-off value prepared by BDO Taiwan can be referred to spin-off plan. (Schedule 2 in attachment 1)
3. The spin-off plan is made in accordance with the Business Mergers and Acquisitions Act, Company Act and other related regulations. (Please refer to attachment 1)
4. Propose to authorize chairman in full charge of dealing with the spin-off scope and amount (include assets, liabilities and operation) and other related issues under applicable laws on the aforesaid solid state storage business spin-off.
5. The spin-off reference date is tentatively set at 2019.12.12. If the reference date needed to be adjusted, propose to authorize chairman to make decision on the change of spin off reference date.
6. Please proceed to adopt.

Resolution:

IV. Provisional Motions

V. Adjournment
LITE-ON Technology Corporation  
Solid State Storage Technology Corporation  

Spin-Off Plan  

Parties to the Plan:  
LITE-ON Technology Corporation (hereinafter referred to as Party A)  
Solid State Storage Technology Corporation (hereinafter referred to as Party B)  

To promote the future development of the Group and improve business performance and market competitiveness, Party A plans to spin-off and transfer one hundred percent of the operations of the Solid-State Drive Business Unit in Taiwan (including assets, liabilities, and operations) to Party B as the consideration for Party B's issuance of new shares to Party A (hereinafter referred to as the "Spin-Off"). The Spin-Off Plan (hereinafter referred to as the "Plan") is established in accordance with the Business Mergers and Acquisitions Act, Company Act, and related regulations of the Republic of China and provided as follows:  

Article 1  
Participants of the company spin-off:  
I.  
Spun-off company  
LITE-ON Technology Corporation (unified business number: 23357403) with a nominal capital of NT$35,000,000,000 divided into 3,500,000,000 shares with a book value of NT$10 per share and paid-up capital of NT$23,508,670,320 divided into 2,350,867,032 shares.  
II.  
Existing company succeeding the business of the company
spun-off
Solid State Storage Technology Corporation (unified business number: 82834183) with a nominal capital of $50,000 divided into 5,000 shares with a book value of NT$10 per share and paid-up capital of $50,000 divided into 5,000 shares.

Article 2 Items that require changes in the Articles of Incorporation of the existing company succeeding the business of the company spun-off:
Where Party B is required to modify its Articles of Incorporation due to the spin off, it shall cooperate and complete the modifications.

Article 3 Method of the spin-off:
The spin-off shall be processed in accordance with Article 35 of the Business Mergers and Acquisitions Act by a spin-off of the parent and subsidiary company. Party A shall transfer the operations of the Solid-State Drive Business Unit in Taiwan (including assets, liabilities, and operations) to Party B on the spin-off reference date as the consideration for Party B's issuance of new shares to Party A.

Article 4 Business scope, business value, assets, and liabilities assumed by the company spun-off:
I. Business scope of the company spun-off included in the Spin-Off Plan
   1 Operations of Party A's Solid-State Drive Business Unit in Taiwan.
   2 Related assets and liabilities required for the operations of Party A's Solid-State Drive Business Unit in Taiwan.
3. Related contracts required for the operations of Party A’s Solid-State Drive Business Unit in Taiwan (including without limitation: sales and purchase contracts, lease contracts, loan contracts, and other relevant contracts), litigation cases, legal relationships, legal status, licenses, permits, and relevant interests. Where the transfer of a contract requires the approval of the counterparty or other third parties in the original contract in accordance with regulations or the contract, the contract shall be effective after the counterparty or third party grants approval.

4. Intellectual property rights including patents, trademarks, technology, and trade secrets of the operations of Solid-State Drive Business Unit in Taiwan owned by Party A prior to the spin-off reference date and a list of patents and trademarks. Party A and Party B shall cooperate with each other in the procedures for the transfer of the aforementioned intellectual property rights and technologies, procedures for the maintenance of rights, and provision of related data, files, and programs so that the other party may exercise related rights. The expenses for the maintenance of rights after the spin-off reference date shall be borne by Party B. The spin-off of intellectual property rights herein does not affect the rights and confidentiality obligations of other authorized individuals before the spin-off.

5. Other tax incentives, licenses, permits, and related legal relationships, de facto relationships, and positions prior to expiration or deduction derived from assets, liabilities, rights and
obligations, benefits, and spin-offs related to the operations of
Party A's Solid-State Drive Business Unit in Taiwan.

II. Business value of the spin-off
The business value of the spin-off shall be calculated based on the
assets spun-off and transferred minus liabilities and it is estimated
at NT$4,482,404,000 as shown in Appendix 1.

III. Assets spun-off and transferred
The sum of the assets spun-off and transferred is estimated at
NT$7,034,678,967.

IV. Liabilities spun-off and transferred
The sum of the liabilities spun-off and transferred is estimated at
NT$2,552,274,967.

V. The aforementioned business value, assets, and liabilities in the
spin-off are temporarily calculated based on the figures in Party A's
financial statements that were audited by the CPA on June 30,
2019. Depreciation and capital expenditures and estimates are
estimations calculated based on the book value as of the spin-off
reference date. However, the actual amount shall be the book value
as of the spin-off reference date.

VI. Where adjustments are required for the assets acquired and
liabilities assumed in the spin-off, the board of directors of Party A
and Party B may authorize the chairmen to negotiate and adjust.
The same shall apply where adjustments are required for the
business value and the number of shares issued by the existing
company.
Article 5  The ratio of the issuance of new shares acquired by the company spun-off (Party A) in return for the business value, assets, and liabilities assumed by the existing company in the spin-off and calculation method:

I. Proportion of issued shares acquired

Party A plans to spin-off and transfer the business value of the Solid-State Drive Business Unit with a value of NT$4,482,404,000 in exchange for 448,240,400 common shares issued by party B at a value of NT$10 per share based on the conversion rate of NT$10 of the business value in exchange for 1 share. Where there is a difference between Party A's actual business value of the spin-off on the spin-off reference date and the originally estimated spin-off and transfer value, Party A and Party B shall use cash to make up for the difference to each other.

II. Calculation method

The aforementioned share exchange ratio is established based on the book value of the assets and liabilities Party A intends to transfer, net value per share, and expert opinions regarding the spin-off and share exchange ratio. The independent expert report on the fairness of spin-off value is detailed in Appendix 2.

Article 6  Adjustments of the number of shares to be issued by the existing company and acquired by the company spun-off in return for the business value, assets, and liabilities assumed by the existing company in the spin-off:

The board of directors of Party A and Party B may authorize the chairmen
to negotiate and adjust the number of shares issued and/or price per share of new shares issued by Party B in the Spin-Off in the event of the following conditions; the business value assumed by Party B based on the Spin-Off shall also be adjusted accordingly:

I. Where assets obtained by Party A after the signing of the Plan are included in the scope of assets in the spin-off and transfer;

II. Where the assets and liabilities to be spun-off and transferred by Party A are subject to asset revaluation, depreciation, amortization, addition, or impairment due to business, investment, or financing activities and causes changes to the detailed statements or amounts;

III. Where the business value is subject to a material increase or decrease due to business operations of the spin-off and transfer, changes in the scope of assets or liabilities, or other reasons as of the spin-off reference date and adjustments are required;

IV. Other cases where changes in laws or regulations or instructions from related competent authorities make it necessary to adjust the proportion of the number of shares issued by Party B in accordance with Article 5.

**Article 7**

**Total number, type, and quantities of new shares issued by the existing company succeeding the business of the company spun-off:**

I. Party B shall issue 448,240,400 common shares to Party A in exchange for the business value it succeeds in the Spin-Off Plan.

II. Party B shall complete registration and issue common shares to Party A after the spin-off reference date in accordance with laws.

III. After the completion of the spin-off, Party B's paid-up capital shall
be increased to NT$4,482,454,000 which is divided into 448,245,400 shares with a book value of NT$10 per share. Party A shall still own 100% of Party B's shares.

**Article 8**

**All rights and obligations assumed and related matters:**

I. All rights and obligations for the assets and liabilities spun-off and transferred by Party A to Party B in the Spin-Off Plan shall be assumed by Party B as of the spin-off reference date. Where related transfer procedures are required, Party A shall provide cooperation.

II. With the exception of liabilities before the spin-off and transfer and Party A's debts before the spin-off which can be divided, Party B shall bear joint and several liabilities with Party A for the liabilities for repayment of Party A's debts within the scope of its capital contribution in the form of the business operations it assumed in accordance with Article 35, Paragraph 6 of the Business Mergers and Acquisitions Act. However, the creditor's right to claim repayment for joint and several liabilities shall be extinguished by prescription if it is not exercised within two years of the spin-off reference date.

**Article 9**

**Procedures for the transfer and appointment of employees:**

Party A and Party B shall negotiate the retention of employees in accordance with related regulations in the Business Mergers and Acquisitions Act and the Labor Standards Act. They agree that Party B shall recognize the years of service of retained employees during their employment at Party A before the spin-off reference date. Alternatively, Party A may, pursuant to the Labor Standards Act, negotiate with
employees to guarantee their due rights and interests.

**Article 10**  
**Spin-off reference date, progress schedule for plan execution, and expected completion date, and procedures for delays**

I. After the Spin-Off is approved by the board of directors of Party A and Party B, the board of directors of each party shall be authorized to negotiate and establish the spin-off reference date. The spin-off reference date is currently set for December 12, 2019. Where it is necessary to adjust the spin-off reference date due to the implementation of related regulatory procedures or practical requirements, the chairman of the two parties shall be authorized to negotiate and make adjustments accordingly.

II. Matters in the Plan and estimated implementation schedule that remain unresolved after the spin-off reference date shall be processed by the board of directors of the two parties based on actual conditions and requirements.

**Article 11**  
**Purchase and cancellation of shares of objecting shareholders:**

Where a shareholder of Party A issued an objection in writing or verbally regarding related items in the Spin-Off or the Spin-Off Plan before or during the shareholders' meeting in which the spin-off is determined in a resolution and such objection is recorded, if the shareholder waives its right to the vote, it may request a repurchase of the shares and Party A shall repurchase the shares held by the objecting shareholder in accordance with related laws and regulations.

**Article 12**  
**Creditor notices, announcement obligations, and related matters:**

I. After the spin-off is passed in resolutions of the meetings of the
board of directors of Party A and Party B, they shall formulate individual balance sheets and inventory of property, notify their creditors, issue announcements, and specify a period of at least thirty days for creditors to file objections within the period. Where a creditor of one of the companies files an objection within the designated period, the company shall process the objection in accordance with related laws and regulations.

II. Where the debt repaid by Party A to the creditor that has raised the objection in accordance with the regulations provided in the preceding paragraph is within the scope of the spin-off and transfer of the Plan, the board of directors of Party A and Party B shall adjust the business scope, business value, assets, and liabilities specified in Article 4. The same shall apply if adjustments are required for the ratio or price of shares issued by Party B.

Article 13 Apportionment of taxes and expenses:

I. Unless otherwise specified in the Spin-Off Plan, Party A and Party B shall each pay half of all taxes or expenses derived from the signing or performance of the Spin-Off Plan except for those that meet regulations for the exemption of taxes or expenses. Where the Spin-Off Plan is not approved by related competent authorities or where it is not effective due to other reasons, the expenses for attorneys and accountants and other expenses already incurred shall be borne by Party A.

II. Where the Spin-Off Plan is eligible for applicable tax incentives, Party A and Party B shall cooperate and help each other in
obtaining such incentives.

Article 14 Liability for breach of contract:

I. Where Party A or Party B violates related regulations in the Plan and a party issues a written notice to the other party to request corrections within thirty days but the other party fails to complete corrections, the party may issue a written notice to the other party to terminate the Plan.

II. Where a party is in violation of the Plan and fails to implement corrections within the period specified in the other party's notice or where the violation is severe and causes damage to any party, the party in breach of the contract shall pay compensation for all fees (including but not limited to the expenses for attorneys and accountants, related expenses, losses, or other damage) to the party that suffered the damage. The parties also agree that in the event of any losses caused to any third party due to reasons attributable to themselves (including but not limited to requests for compensation from third parties) in the implementation of related matters in the Plan, the liable party shall pay compensation to the party that suffered the damage.

Article 15 Applicable law:

I. The Spin-Off Plan is processed in accordance with the Business Mergers and Acquisitions Act. Where new laws and regulations are promulgated and implemented (including those promulgated after the spin-off reference date) and such laws and regulations are more favorable, the Spin-Off Plan shall be governed by the most
favorable laws and regulations.

II. The Plan shall be interpreted in accordance with the laws of the Republic of China. In the event of any dispute in the Plan, Taiwan Shihlin District Court shall be the court of first instance.

**Article 16 Other matters:**

I. In the event that any provision in the Plan is in violation of related regulations and is voided, only the parts in violation shall be voided and the other terms in the Plan shall remain valid. The provisions voided due to violation of related laws and regulations shall be negotiated separately by the board of directors of Party A and Party B within the legal scope in accordance with related laws and regulations.

II. Where changes are required for any provision in the Plan in accordance with instructions from related competent authorities, the Plan shall be amended in accordance with the instructions from related competent authorities or by the board of directors of Party A and Party B in accordance with such instructions.

III. Where the Plan is not authorized or approved by related competent authorities, the Plan shall be deemed as invalid from the start.

IV. The registration of changes to the rights to properties spun-off and transferred by Party A to Party B in the Spin-Off Plan shall be completed within six months of Party B’s completion of the spin-off except where a longer period is required in other laws or where a force majeure factor applies.

V. Where the number of entities or companies in the Spin-Off is
increased, decreased, or changed, all currently completed legal proceedings shall be implemented once again.

VI. Issues not addressed in the Plan shall be processed in accordance with related laws and regulations and the regulations of the competent authority. Issues not addressed in laws or regulations of the competent authority responsible shall be processed by the board of directors of Party A and Party B at their sole discretion.

The Plan is executed in two original copies with Party A and Party B each holding one original copy.

Parties to the Plan: LITE-ON Technology Corporation
Audit Committee Convener: Albert Hsueh

Solid State Storage Technology Corporation
Chairman: Raymond Soong

August 30, 2019
## Schedule 1

### Book Value of the Assets and Liabilities Spun-Off and Transferred

Share conversion ratio calculation baseline date: June 30, 2019

<table>
<thead>
<tr>
<th>Name of Assets and Liabilities</th>
<th>Business Value (Book Value)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank deposits</td>
<td>1,000,000,330</td>
<td></td>
</tr>
<tr>
<td>Inventory - minus allowance for inventory devaluation</td>
<td>2,272,632,947</td>
<td></td>
</tr>
<tr>
<td>Net notes and accounts receivable</td>
<td>2,905,090,231</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,921,469</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>152,416,369</td>
<td></td>
</tr>
<tr>
<td>Net fixed assets</td>
<td>629,307,320</td>
<td></td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>58,462,161</td>
<td></td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>11,848,140</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets (A)</strong></td>
<td>7,034,678,967</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,158,171,933</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>323,842,877</td>
<td></td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>8,774,573</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>4,763,568</td>
<td></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>56,722,016</td>
<td></td>
</tr>
<tr>
<td>Guarantee deposits and margins received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty and maintenance reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities (B)</strong></td>
<td>2,552,274,967</td>
<td></td>
</tr>
<tr>
<td>Business value of the spin-off (A-B)</td>
<td>4,482,404,000</td>
<td></td>
</tr>
</tbody>
</table>

Unit: NT$
Recipient: LITE-ON Technology Corporation

Subject: The CPA has been appointed by LITE-ON Technology Corporation for the review of the fairness of business value, spin-off and share exchange ratio of its Solid-State Drive Business Unit (including assets and liabilities) (hereinafter referred to as "SSD BU"). The CPA has adopted necessary analysis and review procedures and completed the review. The results of the review are provided as follows.

Explanation:

I. Transaction background information

According to LITE-ON Technology Corporation (hereinafter referred to as "LITE-ON"), the company intends to spin-off and transfer parts of the businesses of the SSD BU of the Group (including assets and liabilities) (hereinafter referred to as "Valuation Subject") to its newly-established and wholly-owned subsidiary company Solid State Storage Technology Corporation (hereinafter referred to as "Solid State Storage") based on the Group's strategy and optimization of its organizational structure. Solid State Storage shall issue new shares as the consideration for the transfer. The transaction procedures are explained in the illustration below:

**Existing structure**

<table>
<thead>
<tr>
<th>No.</th>
<th>Full Name of Company/Business Unit</th>
<th>Abbreviated Name of Company/Business Unit</th>
<th>Business Introduction of Company/Business Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>LITE-ON Corporation Technology</td>
<td>LITE-ON</td>
<td>Manufacturing and sales of computer peripheral products and non-computer peripheral products.</td>
</tr>
<tr>
<td>2.</td>
<td>Solid State Storage Technology Corporation</td>
<td>Solid State Storage</td>
<td>Electronic parts and components manufacturing, data storage media manufacturing and duplicating</td>
</tr>
</tbody>
</table>

Source: LITE-ON audited 2019 Q2 financial report and compiled by BDO Taiwan.
II. Purpose of the fairness evaluation

LITE-ON seeks to learn about the business value of the Valuation Subject and appoints the CPA to conduct necessary review procedures and express opinions on the fairness of the business value in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". The evaluation of this case was completed by the CPA.

III. Declarations

The CPA remains independent from LITE-ON and fully implements due professional attention in the review and opinion expressed regarding the value of the Valuation Subject and the fairness of the share exchange ratio. The contents of the Opinion contain financial information including the balance sheet of the SSD BU as of June 30, 2019 provided by LITE-ON, introduction of related industries, and information obtained from written to digital reference information. Due to the scope of the appointment, the CPA has not adopted the generally accepted auditing standards for the audit of the aforementioned information nor conducted independent verification regarding the accuracy and adequacy of such information. The CPA assumed such information to be truthful, reliable, and trustworthy. Therefore, the CPA does not provide any opinion or any guarantee regarding the contents of such financial information. The "correctness" specified in this statement refers to appropriate and reasonable use of the sources of information.

IV. Review opinions for the fairness of the business value in the spin-off

The baseline date of the valuation in this case is June 30, 2019. The CPA has reviewed and inspected the book value of assets and liabilities of the Valuation Subject, referenced the related financial statements provided by the Valuation Subject, the balances of other accounts, and related accounting practices as of the baseline date of the valuation. The CPA hereby provides an explanation on the fairness of the transaction price:

As the Valuation Subject and Solid State Storage are businesses under joint control (LITE-ON) and LITE-ON had retained the business value of the Valuation Subject before the transaction, LITE-ON still indirectly holds the business value of the Valuation Subject after the completion of the transaction. As the Valuation Subject shall be held by Solid State Storage, there is no real transfer of the management and control rights. As a principle, LITE-ON's spin-off and transfer of the business value of the Valuation Subject to the newly-established Solid State Storage is essentially a reorganization.

The business value of the Valuation Subject which LITE-ON intends to spin-off is NT$4,482,404,000. The estimated book value of the assets and liabilities to be spun-off as of the baseline date of the evaluation is shown as follows:

<table>
<thead>
<tr>
<th>(Unit: NT$)</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Book Value</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$6,335,061,346</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>699,617,621</td>
</tr>
<tr>
<td>Total assets (A)</td>
<td>7,034,678,967</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>2,495,552,951</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>56,722,016</td>
</tr>
<tr>
<td>Total liabilities (B)</td>
<td>2,552,274,967</td>
</tr>
<tr>
<td>Business value (A-B)</td>
<td>$4,482,404,000</td>
</tr>
</tbody>
</table>

Source: Provided by LITE-ON and compiled by BDO Taiwan

As described above, the CPA believes that the aforementioned spin-off and transfer should be considered a merger of businesses under joint control and they meet requirements specified in Section 2 (c) of International Financial Reporting Standards No. 3 "Business Combinations" (hereinafter referred to as "IFRS 3"). Therefore, related accounting procedures in IFRS 3 do not apply. According to the response provided by the Accounting Research and Development Foundation in the IFRS Q&A published on October 26, 2018, as IFRS 3 does not provide express regulations on business combinations under joint control, it shall remain governed by regulations in related interpretations issued in Taiwan and the "book
value approach” shall be adopted for accounting procedures.

According to the (2002) Ji-Mi No. 128 Letter issued by the Accounting Research and Development Foundation on June 14, 2002, "For accounting procedures for the spin-off of companies, where the enterprise (transferor company) assigns its businesses to another company (transferee company) and obtains shares issued by the transferee company, if the transferor company and transferee company are affiliate companies, the nature of the transfer shall be deemed as a reorganization and the accounting procedures shall be processed based on the net value of book value of the original assets (where assets are impaired, it shall be based on the amount after the losses are recognized) minus the liabilities which shall be used as the cost of the acquisition of shares and not recognized as an exchange of interest. The transferee company shall also use the book value of the original assets and liabilities of the transferor company (where assets are impaired, it shall be based on the amount after the losses are recognized) as the cost of the acquisition of assets and liabilities. The net value of the two shall be used as the basis. The book value shall be used as capital stock and the parts in excess of the book value shall be used as capital reserve."

Therefore, the establishment of Solid State Storage, its issuance of new shares to pay for the value of the Valuation Subject spun-off from LITE-ON, and LITE-ON’s spin-off of the book value of net assets of NT$4,482,404,000 meet related accounting regulations.

V. Explanation of general assumptions

It is assumed in this case that there has been no material changes in the overall economic, political, and investment environment, other external conditions, the business activities of LITE-ON and its professional management team, and other internal conditions from the baseline date of the valuation to the report date and that all financial statements of LITE-ON Group have been formulated in accordance with IFRSs. In addition, the use of the spin-off evaluation for different purposes of valuation or the adoption of different assumptions or valuation baseline dates may cause material impact on the results of the evaluation. The CPA does not guarantee that the evaluation results of the Opinion would remain the same if the Valuation Subject is subject to the aforementioned changes.

VI. Conclusion on the fairness of the share exchange ratio

The CPA believes that the calculation regarding the spin-off value of certain related businesses of the Solid-State Drive Business Unit of LITE-ON is based on the book value of related assets and liabilities of the Valuation Subject on June 30, 2019 and processed in accordance with related Q&A and interpretation letters of the Accounting Research and Development Foundation. Therefore, Solid State Storage’s issuance of 448,240,400 common shares at the book value price of NTD 10 to LITE-ON as consideration for the acquisition of net assets is considered reasonable.

VII. Restrictions on the use of the Opinion

1. This Opinion is only valid for the aforementioned item and may not be expanded to include the entire financial statements of the Valuation Subject.

2. The CPA only evaluated the fairness of the transfer price as an independent third party and does not actually participate in the design and planning of the transaction framework. The data used in the Opinion are data valid as of June 30, 2019, the baseline date of the evaluation. Therefore, no change thereafter was considered for the Opinion. Where the actual contents sold differ from the description above, the conclusion of the Opinion shall also be changed. The CPA shall not be responsible for updating the Opinion in the event of changes in actual conditions after the Opinion is submitted unless the CPA is reappointed to conduct a new evaluation.

3. The evaluation results of the Opinion are only provided as references for decision-making by internal management of LITE-ON and related individuals in the potential transaction and for filing documents to the competent authority in accordance with regulations. Without the written consent of the CPA, no contents of the report may be photocopied or delivered in any way to a third party.
BDO Taiwan Union & Co.
CPA: Shu-Cheng Chang
Securities competent authority approval certificate number: (1997) Tai-Cai-Zheng (6)- 74537
August 21, 2019
Independence Statement

I was appointed to provide related opinions for LITE-ON Technology Corporation to assess the business value of its Solid-State Drive Business Unit and the fairness of the business value, spin-off and share exchange ratio. I hereby declare that I have maintained my independence in the performance of the aforementioned businesses and none of the following conditions apply:

1. I am a related party or (related party in substance) of the aforementioned company as defined in IAS 24.
2. I or my spouse is currently employed by the aforementioned company, serve as a regular employee, or receive fixed salary therefrom.
3. I or my spouse was previously employed by the aforementioned company and less than two years have elapsed since dismissal.
4. I or my spouse serve in a company which is a related party of the aforementioned company.
5. I am the spouse or a relative within second degree of kinship with the person in charge or managerial officer of the aforementioned company.
6. I or my spouse engage in joint investments or benefit sharing with the aforementioned company.
7. I am the attesting CPA of the aforementioned company.
8. I am a current director, supervisor, or the spouse or a relative within second degree of kinship of a director or supervisor of Taiwan Stock Exchange Corporation or Taipei Exchange.
9. I or my spouse serve in a company which has business relationships with the aforementioned company.

Evaluator: Shu-Cheng Chang
August 21, 2019
Qualifications of the Independent Expert

Name: Shu-Cheng Chang

Qualified in examination: Qualified in the high-level national examination for Certified Public Accountant of the Republic of China

Current position: BDO Taiwan Union & Co.

Education background: Master in Accounting, National Taipei University
Graduated from the Accounting Department of Chung Yuan Christian University

Experience: Taipei CPA Association
Member of the Industry and Commerce Committee
Lite-On Technology Corporation
Rules and Procedures of Shareholders’ Meeting

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 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.
Appendix 2

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:
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 supplementarily to serve the tenure of office remaining by the
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.

Qualification requirement of employees in the preceding paragraph shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.

Chapter Seven Bylaws

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

Article XXIV The Taiwan Depository & Clearing Corporation (TDCC) may request that the Company consolidate the shares to issue large denomination share certificates.

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

Article XXVI 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 XXVII 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.
Appendix 3

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 September 26, 2019, 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., September 26, 2019.

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