

Stock Code: 2329



Orient Semiconductor Electronics, Ltd.

**2020 1st Special Meeting of
Shareholders**

Meeting Handbook
(Translation)

(This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

Date of the shareholders' meeting: December 3, 2020

Venue: No. 600, Chia-Chang Road, Nan-Zih District, Kaohsiung City, Taiwan
(Nanzih Export Processing Zone Administration / Auditorium)

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Orient Semiconductor Electronics, Ltd.
Procedure of 2020 1st Special Meeting of Shareholders

One. Call the Meeting to Order

Two. Chairperson Remarks

Three. Management Presentation

Four. Discussion Matters

Five. Election Matters

Six. Other Proposals

Seven. Questions and Motions

Eight. Adjournment

Orient Semiconductor Electronics, Ltd.

2020 1st Special Meeting of Shareholders

Time: 9 am on December 3, 2020 (Thursday)

Venue: No. 600, Chia-Chang Road, Nan-Zih District, Kaohsiung City, Taiwan (Nanzih Export Processing Zone Administration / Auditorium)

One. Call the Meeting to Order

Two. Chairperson Remarks

Three. Management Presentation

- I. The handling of the private placement of securities resolved by 2020 general meeting of shareholders.

Four. Discussion

- I. Comparison Table of Amendment Clauses for the "Articles of Incorporation"
- II. The Company's proposal for 2020 issuance of preferred shares through a private placement.

Five. Election Matters

- I. Election of the Company's one director

Six. Other Proposals

- I. Proposal for releasing the restrictions on directors' non-competition for discussion.

Seven. Questions and Motions

Eight. Adjournment

I. Management Presentation

Report No. 1

Proposal : The handling of the private placement of securities resolved by 2020 general meeting of shareholders.

Explanation :

- I.The Company originally proposed to issue 120 million shares of common stock for capital increase through a private placement. The issuance was to be completed within one year in one lump sum from the date of the resolution date along with the proposal of the introduction of strategic investors, both approved on the general meeting of shareholders on June 18, 2020.
- II.In consideration of the overall operation of the Company, these proposals will not be enforced, and will be reported on the first extraordinary general meeting in 2020.

II. Discussion

Proposal 1 for Discussion

【Proposed by the Board of Director】

Proposal: Comparison Table of Amendment Clauses for the "Articles of Incorporation".

Explanation :

I. In order to increase the flexibility of fund raising methods to support the development and strategy of the Company's business, the Company plans to add new clauses on the issuance of Class B and Class C preferred shares within the existing limit of capital amount, please refer Annex 1 for the comparison table for the amended clauses.

II. Please proceed with voting.

Resolutions:

Proposal 2 for Discussion

【Proposed by the Board of Director】

Proposal: The Company's proposal for 2020 issuance of preferred shares through a private placement. Please proceed with voting.

Explanation :

I. In order to strengthen the Company's working capital, repay bank loans, and/or meet capital needs for future long-term business development and in consideration of the capital market situation, the timeliness and feasibility of raising capital, issuance costs and/or to respond to the introduction of strategic investors for the Company's business development while allowing capital raising channels to be more diversified and flexible, the Company intends to issue preferred shares through a private placement as required by Article 43-6 of the Securities and Exchange Act:

- i. Class B preferred shares - the ceiling amount of issuance is NT\$1 billion. The maximum number of shares to be issued is 100,000 thousand issues with par value of NT\$10 per share. The aggregate increase in paid-in capital is expected to not exceed NT\$1,000,000 thousand. This private placement is to be completed in one lump sum within one year from the date of the first extraordinary general meeting in 2020.
- ii. Class C preferred shares - the ceiling amount of issuance is NT\$2 billion. The maximum number of shares to be issued is

200,000 thousand issues with par value of NT\$10 per share. The aggregate increase in paid-in capital is expected to not exceed NT\$2,000,000 thousand. This private placement is to be completed in one lump sum within one year from the date of the first extraordinary general meeting in 2020.

II. As required by Article 43-6 of the “Securities and Exchange Act” and the “Directions for Public Companies Conducting Private Placements of Securities”, matters that shall be further explained are as follows:

- i. The basis and reasonableness of the private placement pricing:
 1. The price of a private placement of securities with equity characteristics such as preferred shares may not be lower than 80 percent of the theoretical price. Theoretical price refers to a securities price calculated based on an appropriate pricing model that is selected in consideration of the various rights under the terms of issuance. The pricing model shall as a whole cover, and include the concurrent consideration of, the various rights included in the terms of issuance. Any right not included for consideration within the model shall be excluded from the terms of issuance. The actual pricing date and the actual issuance price may not be lower than the scope of percentage resolved by the first extraordinary general meeting in 2020. The board of directors have been authorized to make decisions.
 2. The price of a private placement of securities with equity characteristics such as preferred shares is determined in accordance with the “Directions for Public Companies Conducting Private Placements of Securities” as well as the consideration of factors including: the Company's future development, and the restrictions on the time of transfer, to whom the preferred shares are transferred to the transfer amount, the fact that they cannot be listed on the stock exchange and poor liquidity. Therefore, the price is determined in a reasonable manner which may not post significant impact on shareholders' equity.
- ii. The method for selecting the specific persons:
 1. Selection method: the objects of a private placement of securities with equity characteristics such as preferred shares are limited to specific persons who meet the requirements

stipulated in Article 43-6 of the Securities and Exchange Act and Order No. Tai-Cai-Zhen-1 0910003455 issued by the Financial Supervisory Commission on June 13, 2002.

2. Selection purpose: The priority consideration is those who directly or indirectly improve the Company's future operations.

3. If the placee is an insider or a related party, the proposed list shall be as follows:

(1) The relationship between the list of placees and the Company

The list of placees	Relationship with the Company
CHIPBOND TECHNOLOGY CORPORATION	NA

(2) If the placee is a juristic person, the matters that shall be disclosed

Name	The Top Ten Shareholders		Relationship with the Company
	Name	%	
CHIPBOND TECHNOLOGY CORPORATION	Hermes Global Emerging Markets Fund	4.75%	NA
	New Labor Pension Fund	3.14%	NA
	China Life Insurance Co., Ltd	3.05%	NA
	Kaft Emerging Market Stock	2.29%	NA
	Norges Bank	2.18%	NA
	Cathay Life Insurance Co., Ltd	1.90%	NA
	Labor Pension Fund	1.84%	NA
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.83%	NA
	BT Pension Fund	1.82%	NA
	Wu, Fei Jain	1.65%	NA

Note: Except for Wu, Fei-Jian's shareholding ratio calculated based on the number of shares held over Chipbond Technology Corporation disclosed by MOPs on September 30, 2020, the rest is based on the number of shares disclosed in the annual report on April 17, 2020

4. Necessity and anticipated benefits: Expected placee - Chipbond Technology Corporation - to provide added values and pose benefits to the Company's market and technical cooperation in order to further profit the Company and have positive benefits to shareholders' equity. Chipbond Technology Corporation has met the requirements of Paragraph 1, Article 43-6 of the Securities and Exchange Act and is deemed as an appropriate placee for the Company's a private placement of securities with equity characteristics such as preferred shares. It is qualified to be a strategic investor as stipulated in the "Directions for Public Companies Conducting Private Placements of Securities".

iii. Necessary reasons for private placement, the limit on the

private placement, the use of the funds raised by the private placement and the anticipated benefits:

- 1.Reasons for not using a public offering: In consideration of market conditions, timeliness, feasibility, issuance costs of capital raising and/or the introduction of strategic investors to correspond with the Company's development and the transfer limit can ensure that the long-term cooperative relationship between Company and strategic investors which strengthens the stability of the Company's management, therefore the Company uses place placements for raising funds. Depending on the actual needs of the Company's operations, by authorizing the board of directors, the Company also effectively improves the mobility and flexibility reasons for the necessity for conducting the private placement.
- 2.Private placement limit: The ceiling amount of the issuance of Class B preferred shares is NT\$1 billion. The maximum number of shares to be issued is 100,000 thousand issues with par value of NT\$10 per share. The aggregate increase in paid-in capital is expected to not exceed NT\$1,000,000 thousand. The ceiling amount of the issuance of Class C preferred shares is NT\$2 billion. The maximum number of shares to be issued is 200,000 thousand issues with par value of NT\$10 per share. The aggregate increase in paid-in capital is expected to not exceed NT\$2,000,000 thousand. The Private Placement will be completed in one lump sum within one year from the date of the first extraordinary general meeting in 2020.
- 3.The use of the funds raised by the private placement and the anticipated benefits: The funding raised is expected to be used to strengthen working capital, repay bank loans, and/or meet capital needs for future long-term business development. It is expected to improve the financial structure, reduce Debt-asset ratio, improve current ratio and quick ratio which poses positive benefits for the stability of the Company's management as well as the rights and interests of shareholders' equity. Also, by introducing strategic investors, it helps the Company to expand the market and technical cooperation so that the Company can profit which poses positive benefit to shareholders' equity.

- III. Conditions of a private placement of securities with equity characteristics such as preferred shares: Please refer to Annex 2 and Annex 3.
- IV. Whether there is a significant change in managerial control within the 1 year period immediately proceeding the day on which the board of directors resolves on the private placement, or there will be a significant change in managerial control after the introduction of a strategic investor through private placement: Please refer to Annex 4.
- V. A private placement of securities with equity characteristics such as preferred shares is conducted as required by Article 43-8 of the “Securities and Exchange Act” and relevant laws and regulations of competent authority that the shares may not be transferred freely within 3 years since the delivery of a private placement of securities with equity characteristics such as preferred shares aside from the specific reasons stipulated by laws and regulations; a private placement of securities with equity characteristics such as preferred shares may not be publicly issued or listed for trading.
- VI. It has been proposed to the shareholders’ meeting to authorize the board of directors to formulate the important content of this motion according to market condition and the operating needs of the Company including but not limited to the issuing name, price, number of shares issued, issuance conditions, funds raised, plans, process of the fund use, expected anticipated benefits and other matters. If changes or amendments are required by instructions of the competent authority or based on the operation evolution or due to changes in the objective environment or laws and regulations, the shareholders’ meeting shall ask the board of directors to fully handle the matters.
- VII. In order to accommodate a private placement of securities with equity characteristics such as preferred shares, it has been proposed that the first extraordinary general meeting in 2020 shall authorize the chairperson or its appointed person to discuss and sign all contracts and documents in relation the private placement motion as well as the relevant matters.
- VIII. Matters not addressed will be proposed to be handled by the chairperson authorized by the first extraordinary general meeting in 2020.
- IX. Please proceed with voting.

Resolutions:

III. Election Matters

Proposal: Election of the Company's one director, please proceed with election.

Explanation :

- I.The Company's chairperson Edward Shaw-Yau Duh has resigned as a director on October 16, 2020, and in accordance with the Company's Articles of Incorporation, an election for one director is to be held.
- II.The newly elected director will take office immediately upon election to fulfill the original term of office until the current (17th) term expires. The term of office will run from December 3, 2020 to June 2022.
- III.The director candidate list of the election resolved and approved by the 8th meeting of the 17th term of board of directors' meeting is as follows:

Serial Number	Name	Shareholdings (shares)	Major Education (Experience)
1	Daphane Wu	0	Education : Department of Accounting of National Chengchi University Experience : KINGSTON TECHNOLOGY FAR EAST CORP. /CFO Kingston Technology Company, Inc/ Supervisor PANRAM INTERNATIONAL CORP. / Supervisor Powertech Technology Inc./ Director of institutional representative Current Position : KINGSTON TECHNOLOGY FAR EAST CORP. /CFO Kingston Technology Company, Inc/ Supervisor PANRAM INTERNATIONAL CORP. / Supervisor Powertech Technology Inc./ Director of institutional representative

Resolutions:

IV. Other Proposals

Proposal 1 for Other

【Proposed by board of director】

Proposal: Proposal for releasing the restrictions on directors' non-competition for discussion.

Explanation :

I.The Article 209 of the Company Act stipulated that "the directors who conduct the actions for themselves or other persons that are within the scope of the company's business shall explain the important contents of their actions to the shareholders' meeting and obtain their approval." It is hereby proposed to release the restrictions on 17th directors' non-competition.

II.Please refer Annex 4 for the proposed to request the shareholders meeting to lift the prohibition of competition.

III.Please proceed with voting.

Resolutions:

V. Questions and Motions

VI. Adjournment

Orient Semiconductor Electronics, Ltd.

"Article of Incorporation"

Comparison Table of Amendment Clauses

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
Article 4	The Company's total capital is NT\$20 billion, which is divided into 2 billion shares with the par value of NT\$10 per share. The total number of shares is issued in installments. <u>The unissued shares will be issued through common stock and preferred shares depending on the Company's business needs. Among the issuance,</u> ninety million shares are retained for the purpose of the share subscription warrants and the board of directors is authorized to resolve the issuance at a suitable time.	The Company's total capital is NT\$20 billion, which is divided into 2 billion shares with the par value of NT\$10 per share. The total number of shares is issued in installments, in which ninety million shares are retained for the purpose of the share subscription warrants and the board of directors is authorized to resolve the issuance at a suitable time.	The Company intends to issue preferred shares.
Article 4-1	<u>The rights and obligations and primary conditions of issuance of the Company's Class B preferred shares are as follows:</u> <u>I. Distributions of earnings shall be handled in accordance with the Company's Articles of Incorporation. Earnings to be distributed may be distributed to Class B preferred shares of the year or the quarter and accumulated undistributed dividends. If there are no earnings or if earnings are insufficient to pay the full</u>	(New)	The Company intends to issue preferred shares.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>dividend on Class B preferred shares, distributable earnings shall be first be distributed to Class B preferred shares. Any shortfall in dividends will be made up first with future annual or quarterly earnings.</u></p> <p><u>II. The annual interest rate of dividends for Class B preferred shares is 2% which is calculated based on the issue price per share and paid in cash. The ex-dividend date of the preferred shares is authorized to be set by the board of directors. The number of dividends issued in the year or in the quarter and the number of dividends received in the year or in the quarter is calculated based on the actual number of days of issuance.</u></p> <p><u>III. If the Company's proposed distribution of dividends for common stock for the current year or current quarter exceeds the number of dividends on Class B preferred shares, holders of Class B preferred shares will not be entitled to dividends.</u></p> <p><u>IV. Except for aforementioned</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>dividends, Class B preferred shares cannot be participated in the distribution of earnings or reserves from common stock and other preferred shares.</u></p> <p><u>V. There is no contractual right to covert Class B preferred shares into common stock.</u></p> <p><u>VI. Holders of Class B preferred shares do not have voting rights at common stock shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class B preferred shares have voting rights regarding matters concerning shareholders rights of Class B preferred shares at shareholders meeting of preferred shares.</u></p> <p><u>VII. The order of the Company's remaining property of Class B preferred shares is distributed to common stock and Class C preferred shares, but each share shall not exceed the issue price plus the number of unpaid</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>dividends payable.</u></p> <p><u>VIII. The issuance period for</u></p> <p><u>Class B preferred shares is</u></p> <p><u>5 years. Holders of Class</u></p> <p><u>B preferred shares do not</u></p> <p><u>have the right to demand</u></p> <p><u>early redemption of Class</u></p> <p><u>B preferred shares.</u></p> <p><u>However, the Company</u></p> <p><u>may redeem all or part of</u></p> <p><u>the Class B preferred</u></p> <p><u>shares at their original</u></p> <p><u>issue price at any time</u></p> <p><u>after the expiration of</u></p> <p><u>three years from the date</u></p> <p><u>of issuance by cash or</u></p> <p><u>other methods permitted</u></p> <p><u>by laws and regulations.</u></p> <p><u>The rights and obligations</u></p> <p><u>shall continue under the</u></p> <p><u>conditions of the issuance</u></p> <p><u>of Class B preferred</u></p> <p><u>shares until they are</u></p> <p><u>redeemed by the</u></p> <p><u>Company. In the year in</u></p> <p><u>which Class B preferred</u></p> <p><u>shares are to be redeemed,</u></p> <p><u>if the Company's</u></p> <p><u>shareholders' meeting has</u></p> <p><u>resolved to issue</u></p> <p><u>dividends, the dividends</u></p> <p><u>shall be paid up to the date</u></p> <p><u>when Class B preferred</u></p> <p><u>shares are redeemed, and</u></p> <p><u>shall be calculated on the</u></p> <p><u>basis of the actual number</u></p> <p><u>of issuance days in the</u></p> <p><u>year.</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>IX. Upon the issuance of new shares of common stock by cash capital increase, holders of Class B preferred shares have the same preferred stock options as common stock shareholders.</u></p> <p><u>X. Where Class B preferred shares are qualified for an early redemption or after the expiration of the issuance period, if the Company is unable to redeem all or part of Class B preferred shares due to force majeure or reasons not attributable to the Company, the rights of unredeemed preferred shares shall remain in accordance with the conditions of issuance as described in the preceding paragraph until Class C preferred shares are fully redeemed by the Company. Dividends are also calculated at the original annual interest rate and the actual extension period. The rights of the Class B preferred shares shall not be damaged as stipulated in the Company's Articles of Incorporation.</u></p> <p><u>XI. Class B preferred shares are</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>not listed for trading during the issuance period. The board of directors is authorized to determine the name, issuance date and specific conditions of issuance of Class B preferred shares in accordance with the Company's Articles of Incorporation, and relevant laws and regulations depending on the market situation and investors' willingness to subscription of shares.</u></p>		
Article 4-2	<p><u>The rights and obligations and primary conditions of issuance of the Company's Class C preferred shares are as follows:</u></p> <p><u>I. The Company's earnings distribution is handled in accordance with the Company's Articles of Incorporation. Distributable earnings shall be distributed first to Class B preferred shares in the current year or the current quarter and accumulated undistributed dividends, then dividends shall be distributed to Class C preferred shares in the current year or quarter.</u></p> <p><u>II. The annual interest rate of dividends for Class C preferred shares is 2% which is calculated based on the issue price per</u></p>	(New)	The Company intends to issue preferred shares.

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>share and paid in cash.</u> <u>The ex-dividend date of</u> <u>dividends of the preferred</u> <u>shares is authorized to be</u> <u>set by the board of</u> <u>directors. The number of</u> <u>dividends issued in the</u> <u>year or in the quarter and</u> <u>the number of dividends</u> <u>received in the year or in</u> <u>the quarter is calculated</u> <u>based on the actual</u> <u>number of days of</u> <u>issuance.</u></p> <p><u>III. If the proposed dividend</u> <u>for the Company's</u> <u>common stock in the</u> <u>current year or quarter</u> <u>exceeds the dividend</u> <u>amount of Class C</u> <u>preferred shares, the</u> <u>holders of Class C</u> <u>preferred shares shall be</u> <u>entitled to participate in</u> <u>the distribution until the</u> <u>number of dividends per</u> <u>Class C preferred share is</u> <u>the same as the number of</u> <u>the dividend per common</u> <u>stock.</u></p> <p><u>IV. The Company has a</u> <u>discretionary power on the</u> <u>dividend distribution of</u> <u>Class C preferred shares.</u> <u>If the Company does not</u> <u>have earnings or</u> <u>insufficient earnings for</u> <u>distribution or if there are</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>other necessary considerations, the Company may resolve to not distribute divides from Class C preferred shares. Such manner does not constitute an event of default and shareholders may not object. Class C preferred shares are non-cumulative, and their undistributed or under-distributed dividends will not be accumulated in subsequent years or quarters.</u></p> <p><u>V. Holders of Class C preferred shares may, from the day after the issuance date of five years, be converted into common stock at the ratio of one preferred share to one common stock (conversion ratio 1:1). The rights and obligations (except for conversion restrictions and unlisted shares prescribed by laws and regulations) of the converted common stock from Class C preferred shares are the same as the Company's other issued common stock. Class C preferred shares that have been converted into common stock prior to the</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of common stock earnings and reserves in the current year or current quarter, but may not participate in dividend distributions of preferred shares in the current year or the current quarter. Class C preferred shares that have been converted into common stock prior to the annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of preferred dividend and reserves in the current year or current quarter, but may not participate in dividend distributions of common stock and capital surplus in the current year or the current quarter. Preferred dividends and common stock dividends of the same year or quarter are distributed on a non-recurring basis.</u></p> <p><u>VI. Holders of Class C preferred shares do not have voting rights at common stock</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class C preferred shares have voting rights regarding matters concerning shareholders rights of Class C preferred shares at shareholders meeting of preferred shares.</u></p> <p><u>VII. The order of the Company's remaining property of Class C preferred shares is distributed to common stock and Class C preferred shares, but each share shall not exceed the issue price plus the number of unpaid dividends payable.</u></p> <p><u>VIII. There is no expiration date for Class B preferred shares. Holders of Class C preferred shares do not have the right to demand redemption of Class C preferred shares or demand the Company for an early conversion of preferred shares to common stock. However, the Company may redeem all or part of the Class C preferred shares at their</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>original issue price at any time after the expiration of three years from the date of issuance by cash, mandatory conversion of new issue of shares or other methods permitted by laws and regulations. The rights and obligations shall continue under the conditions of the issuance of Class C preferred shares until they are redeemed by the Company. In the year in which Class C preferred shares are to be redeemed, if the Company's shareholders' meeting has resolved to issue dividends, the dividends shall be paid up to the date when Class B preferred shares are redeemed, and shall be calculated on the basis of the actual number of issuance days in the year.</u></p> <p><u>IX. Upon the issuance of new shares of common stock by cash capital increase, holders of Class C preferred shares have the same preferred stock options as common stock shareholders.</u></p> <p><u>X. During the issuance period, Class C preferred</u></p>		

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p><u>shares are not listed for trading. However, where Class C preferred shares are fully or partly converted to common stock, the board of directors are authorized to apply for public trading from the competent authority in accordance with relevant regulations depending on the current situation.</u></p> <p><u>The board of directors is authorized to determine the name, issuance date and specific conditions of issuance of Class C preferred shares in accordance with the Company's Articles of Incorporation, and relevant laws and regulations depending on the market situation and investors' willingness to subscription of shares.</u></p>		
Article 14	<p>The Company's shareholders have one vote per share <u>unless it is otherwise stated in the Articles of Incorporation regarding preferred shares.</u> However, in case there are any circumstances stated in Article 179 of the Company Act, such shares shall not have the voting rights.</p>	<p>The Company's shareholders have one vote per share. However, in case there are any circumstances stated in Article 179 of the Company Act, such shares shall not have the voting rights.</p>	<p>The Company intends to issue preferred shares.</p>
Article 26-1	<p>The Company's earnings distribution or loss make-up shall be carried out after the end of each quarter. Earnings are distributed in cash and shall be resolved by the board of</p>	<p>The Company's earnings distribution or loss make-up shall be carried out after the end of each quarter. Earnings are distributed in cash and shall be resolved by the board of</p>	<p>The Company intends to issue preferred shares.</p>

Clause No.	Content		Amendment Basis and reasons
	After Amendment	Before Amendment	
	<p>directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.</p> <p>According to the Company's annual final accounts, the earnings shall, if any, be first provided for taxation and offset to the accumulated losses, followed by 10% of legal reserve as well as the provision or reverse of the special reserve pursuant to the laws or the regulations of the competent authority, <u>preferred dividends shall be distributed</u>; the remaining earnings, if any, adding up the accumulated undistributed earnings in the previous years, shall be proposed by the board of director for the distribution and shall be reported to the shareholders' meeting for resolution.</p> <p>(Omission)</p>	<p>directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.</p> <p>According to the Company's annual final accounts, the earnings shall, if any, be first provided for taxation and offset to the accumulated losses, followed by 10% of legal reserve as well as the provision or reverse of the special reserve pursuant to the laws or the regulations of the competent authority; the remaining earnings, if any, adding up the accumulated undistributed earnings in the previous years, shall be proposed by the board of director for the distribution and shall be reported to the shareholders' meeting for resolution.</p> <p>(Omission)</p>	
Article 30	<p>The Company's Article of Incorporation was established on May 27, 1971.</p> <p>(Omission)</p> <p>The forty-sixth amendment was made on June 18,2020.</p> <p><u>The forty-seventh amendment was made on December 3,2020.</u></p>	<p>The Company's Article of Incorporation was established on May 27, 1971.</p> <p>(Omission)</p> <p>The forty-sixth amendment was made on June 18,2020.</p>	Add the date of the amendment.

The conditions of issuance of the Company's Class B preferred shares.

- I. Distributions of earnings shall be handled in accordance with the Company's Articles of Incorporation. Earnings to be distributed may be distributed to Class B preferred shares of the year or the quarter and accumulated undistributed dividends. If there are no earnings or if earnings are insufficient to pay the full dividend on Class B preferred shares, distributable earnings shall be first be distributed to Class B preferred shares. Any shortfall in dividends will be made up first with future annual or quarterly earnings.
- II. The annual interest rate of dividends for Class B preferred shares is 2% which is calculated based on the issue price per share and paid in cash. The ex-dividend date of the preferred shares is authorized to be set by the board of directors. The number of dividends issued in the year or in the quarter and the number of dividends received in the year or in the quarter is calculated based on the actual number of days of issuance.
- III. If the Company's proposed distribution of dividends for common stock for the current year or current quarter exceeds the number of dividends on Class B preferred shares, holders of Class B preferred shares will not be entitled to dividends.
- IV. Except for aforementioned dividends, Class B preferred shares cannot be participated in the distribution of earnings or reserves from common stock and other preferred shares.
- V. There is no contractual right to covert Class B preferred shares into common stock.
- VI. Holders of Class B preferred shares do not have voting rights at common stock shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class B preferred shares have voting rights regarding matters concerning shareholders rights of Class B preferred shares at shareholders meeting of preferred shares.
- VII. The order of the Company's remaining property of Class B preferred shares is distributed to common stock and Class C preferred shares, but each share shall not exceed the issue price plus the number of unpaid dividends payable.

- VIII. The issuance period for Class B preferred shares is 5 years. Holders of Class B preferred shares do not have the right to demand early redemption of Class B preferred shares. However, the Company may redeem all or part of the Class B preferred shares at their original issue price at any time after the expiration of three years from the date of issuance by cash or other methods permitted by laws and regulations. The rights and obligations shall continue under the conditions of the issuance of Class B preferred shares until they are redeemed by the Company. In the year in which Class B preferred shares are to be redeemed, if the Company's shareholders' meeting has resolved to issue dividends, the dividends shall be paid up to the date when Class B preferred shares are redeemed, and shall be calculated on the basis of the actual number of issuance days in the year.
- IX. Upon the issuance of new shares of common stock by cash capital increase, holders of Class B preferred shares have the same preferred stock options as common stock shareholders.
- X. Where Class B preferred shares are qualified for an early redemption or after the expiration of the issuance period, if the Company is unable to redeem all or part of Class B preferred shares due to force majeure or reasons not attributable to the Company, the rights of unredeemed preferred shares shall remain in accordance with the conditions of issuance as described in the preceding paragraph until Class C preferred shares are fully redeemed by the Company. Dividends are also calculated at the original annual interest rate and the actual extension period. The rights of the Class B preferred shares shall not be damaged as stipulated in the Company's Articles of Incorporation.
- XI. Class B preferred shares are not listed for trading during the issuance period.

The conditions of issuance of the Company's Class C preferred shares.

- I. The Company's earnings distribution is handled in accordance with the Company's Articles of Incorporation. Distributable earnings shall be distributed first to Class B preferred shares in the current year or the current quarter and accumulated undistributed dividends, then dividends shall be distributed to Class C preferred shares in the current year or quarter.
- II. The annual interest rate of dividends for Class C preferred shares is 2% which is calculated based on the issue price per share and paid in cash. The ex-dividend date of dividends of the preferred shares is authorized to be set by the board of directors. The number of dividends issued in the year or in the quarter and the number of dividends received in the year or in the quarter is calculated based on the actual number of days of issuance.
- III. If the proposed dividend for the Company's common stock in the current year or quarter exceeds the dividend amount of Class C preferred shares, the holders of Class C preferred shares shall be entitled to participate in the distribution until the number of dividends per Class C preferred share is the same as the number of the dividend per common stock.
- IV. The Company has a discretionary power on the dividend distribution of Class C preferred shares. If the Company does not have earnings or insufficient earnings for distribution or if there are other necessary considerations, the Company may resolve to not distribute dividends from Class C preferred shares. Such manner does not constitute an event of default and shareholders may not object. Class C preferred shares are non-cumulative, and their undistributed or under-distributed dividends will not be accumulated in subsequent years or quarters.
- V. Holders of Class C preferred shares may, from the day after the issuance date of five years, be converted into common stock at the ratio of one preferred share to one common stock (conversion ratio 1:1). The rights and obligations (except for conversion restrictions and unlisted shares prescribed by laws and regulations) of the converted common stock from Class C preferred shares are the same as the Company's other issued common stock. Class C preferred shares that have been converted into common stock prior to the annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of common stock

earnings and reserves in the current year or current quarter, but may not participate in dividend distributions of preferred shares in the current year or the current quarter. Class C preferred shares that have been converted into common stock prior to the annual or quarterly ex-rights (dividend) date of conversion are entitled to participate in the distribution of preferred dividend and reserves in the current year or current quarter, but may not participate in dividend distributions of common stock and capital surplus in the current year or the current quarter. Preferred dividends and common stock dividends of the same year or quarter are distributed on a non-recurring basis.

- VI. Holders of Class C preferred shares do not have voting rights at common stock shareholders meeting nor do they have the voting rights to elect a director (independent directors included); however, holders of Class C preferred shares have voting rights regarding matters concerning shareholders rights of Class C preferred shares at shareholders meeting of preferred shares.
- VII. The order of the Company's remaining property of Class C preferred shares is distributed to common stock and Class C preferred shares, but each share shall not exceed the issue price plus the number of unpaid dividends payable.
- VIII. There is no expiration date for Class B preferred shares. Holders of Class C preferred shares do not have the right to demand redemption of Class C preferred shares or demand the Company for an early conversion of preferred shares to common stock. However, the Company may redeem all or part of the Class C preferred shares at their original issue price at any time after the expiration of three years from the date of issuance by cash, mandatory conversion of new issue of shares or other methods permitted by laws and regulations. The rights and obligations shall continue under the conditions of the issuance of Class C preferred shares until they are redeemed by the Company. In the year in which Class C preferred shares are to be redeemed, if the Company's shareholders' meeting has resolved to issue dividends, the dividends shall be paid up to the date when Class B preferred shares are redeemed, and shall be calculated on the basis of the actual number of issuance days in the year.
- IX. Upon the issuance of new shares of common stock by cash capital increase, holders of Class C preferred shares have the same preferred stock options as common stock shareholders.

- X. During the issuance period, Class C preferred shares are not listed for trading. However, where Class C preferred shares are fully or partly converted to common stock, the board of directors are authorized to apply for public trading from the competent authority in accordance with relevant regulations depending on the current situation.

Orient Semiconductor Electronics, Ltd.

The necessity and reasonableness for conducting a private placement of securities with equity characteristics such as preferred shares

Orient Semiconductor Electronics, Ltd. (hereinafter referred to as “the company” or “OSE”) The private placement this time is to introduce a strategic investor and meet the fund needs of future long-term business development while mastering the timeliness and convenience of fund raising. The Company proposed to conduct a private placement of Class B preferred shares and Class C preferred shares (hereinafter referred to as the “Private Placement”) of up to 300,000 thousand shares and a ceiling amount of NT\$3,000,000,000 which was resolved by the board of directors’ meeting held on October 16, 2020. The Private Placement is intended to be used for strengthening working capital, repaying bank loans and/or meeting capital needs for future long-term business development. However, the Private Placement may only be proceeded after being approved by the Company’s board of directors’ meeting then submitted to the first extraordinary general meeting for approval on December 3, 2020.

After consulting with the Company’s management, it is proposed to introduce the strategic investor - CHIPBOND TECHNOLOGY CORPORATION (“CB”) for the Private Placement, and the Company and CB will enter into a cooperation agreement for the strategic cooperation. Other than conducting the private placement, there are share exchanges and share transfers being carried out between specific shareholders of the Company and Chipbond Technology Corporation. In this case, the Company does not exclude the possibility that specific shareholders of the Company, in their capacity as directors of the Company, may transfer more than 50% of their shareholding in order to fulfill the clauses of the cooperation agreement, resulting in natural termination of his employment. In summary, the Company cannot eliminate the possibility that there may be future changes in the managerial control in order to comply with the clauses stipulated in Paragraph 3, Article 4 of the “Directions for Public Companies Conducting Private Placements of Securities”: “If there is a significant change in managerial control within the 1 year period immediately preceding the day on which the board of directors resolves on the private placement, or there will be a significant change in managerial control after the introduction of a strategic investor through private placement, also disclose the assessment opinion issued by the securities underwriter on the necessity and reasonableness for conducting the private placement.” Therefore, as required by the regulations, the assessment opinion issued by the securities underwriter on the necessity and reasonableness for conducting the Private Placement is as follows:

The content of the assessment opinion is intended as a supplemental reference to the

Private Placement for the resolution of the board of directors' meeting on October 16, 2020 and will not be used for other purposes. The Company hereby declares that where there are changes in the Private Placement or other matters that may result in changes in the content of the assessment, the underwriter will not be liable for any legal responsibility.

1. The necessity and reasonableness for conducting the Private Placement

I. The necessity for conducting the Private Placement

The Company's operating revenues for the six months ended June 30, 2018, 2019 and 2020 were NT\$15,188,192 thousand, NT\$17,515,145 thousand and NT\$7,142,462, respectively. The net attributable to the parent company was NT\$(111,548) thousand, NT\$587,960 thousand and NT\$(266,029) thousand, respectively. In a bid to enforce its long-term business strategy, the Company has been dedicated to expanding its business scope and serving the needs of customers which will require capital for future development. However, considering that the Company's Debt-asset ratio was 61.4% as of June 30, 2020, if the Company sought for financing from the financial institutions, it may not obtain favorable borrowing conditions, and may deteriorate its financial structure which would not ideal for the improvement of the Company's physical fitness. In summary, in order to take into account the fact that the situation of open market fund raising is difficult to grasp, the purposes of improving financial structure while bringing in stable long-term capital, and the rule that securities privately placed cannot be freely transferred within three years can also stabilize the Company's equity structure. Therefore, the Company's proposal of issuing securities through a private placement shall have its necessity.

II. The reasonableness for conducting the Private Placement

The reasonableness of the Private Placement is evaluated in the following 3 respects:

1. The reasonableness of the issuance process of the Private Placement

The proposal information about its motion content, expected issuance procedure, the price setting method, issuance conditions for preferred shares, and the selection method of specific persons reviewed on the board of directors' meeting held on October 16, 2020 are deemed in compliance with the Securities and Exchange Act and relevant laws and regulations; there are no material abnormalities.

2. The reasonableness of the type of securities selected for the Private Placement

The type of securities selected for the Private Placement is preferred shares, of which Class B preferred shares are non-convertible and Class C preferred

shares are convertible. The company chose to issue preferred shares mainly because the issuance of common stock would immediately have a dilutive effect on EPS; therefore, the issuance of preferred shares with interest not only helps the Company's long-term business development, improves the Company's financial structure, it also brings in stable long-term capital. Class B preferred shares on the other hand have the issuance conditions including the right to redemption after 3 years by the Company or an expiration period of 5 years, where Class B preferred shares can be converted into common stock by the Company after 3 years at the earliest. With the diversified terms and conditions that meet the needs of both the Company and the strategic investor, the selection of the preferred shares in the Private Placement is reasonable.

3. The reasonableness of the expected benefits of the Private Placement

The funds raised by the Private Placement are expected to be used to strengthen working capital, repay bank loans, and/or meet capital needs for future long-term development. The Company's primary businesses are packaging and testing services for various memory applications and electronic manufacturing services (EMS). The Company is currently moving towards the development of the flash memory market while continuing to research and develop packaging method for advanced products for various applications and selecting strategic partners who possess advantages. In addition, EMS will continue to expand its SSD production bases, and with the deployment plans of major customers' global capacity, the Company will build its production capacity to serve the world's top customers. Through the diverse utilization of the Private Placement fund, it is expected that the Company's competitiveness can be strengthened, and financial structure improved to enhance its operating efficiency, with reasonable benefits.

In conclusion, it is reasonable for the Company to conduct a private placement.

2. The selection of a placee and his/her feasibility and necessity

(1) The selection direction of a placee

Based on the proposal information of the board's meeting held on October 16, 2020, the placee for the Private Placement shall be limited to Strategic investors who can directly or indirectly benefit the Company's future operations as required by the requirements stipulated in Article 43 of the Securities and Exchange Act and Order No. Tai-Cai-Zhen-1 0910003455 issued by the Financial Supervisory Commission on June 13, 2002.

(2) The feasibility and necessity of the selection of placees

The Company's IC packaging products are primarily used in flash memory, flash memory-related applications in computers, electronic communication products, and NAND controller ICs, etc. At the moment, the expected placee - Chipbond Technology Corporation's IC packaging products are large, medium and small-sized display driver ICs and bumping manufacturing services used in communication market products. There are currently no conflicts between these 2 companies in the product application market. Also, based on the fact that the Company is planning for system-in-package (SiP) foundry, both companies can strategically work together in the production of advanced IC packaging technology, to achieve technical cooperation and professional division of labor to jointly enter the target market, creating another growth momentum for the Company. Therefore, it should be feasible and necessary to introduce Chipbond Technology Corporation as a strategic investor for the private placement.

3. Effects on the Company's business, finance and shareholders' equity after the transfer of managerial control

The Company has currently issued 557,114,533 shares; the ceiling for a private placement of securities with equity characteristics such as preferred shares is 300,000,000 shares. However, the securities in the Private Placement are preferred shares that do not carry voting rights in common stock. Among them, the Class B preferred shares may not be converted into common stock while the Class C may be converted into common stock after 3 years at the earliest depending on the Company's situation. Also, apart from the Private Placement between the Company and its expected placee - Chipbond Technology Corporation, there are still transactions between the Company's specific shareholders and Chipbond Technology Corporation in terms of share exchange and transfer of shares; therefore, the Company cannot eliminate the possibility that there may be future changes in the managerial control when Chipbond Technology Corporation gains a seat in the board. The impact on the Company's business, financial and shareholders' equity is explained as follows:

(1) Impact on the Company's business

By introducing a strategic investor in the private placement, both companies are able to fully exchange and cooperate on production technology, manufacturing, and management experiences. Also, given that there are no conflicts between the two companies in the product application market, they can both enter their target market through strategic cooperation to further enhance future profitability and shareholders' equity, creating a win-win situation. Therefore, the private placement shall be

beneficial to the Company's business.

(2) Impact on the Company's finance

The funds of the Private Placement are planned to be used to strengthen the Company's working capital and repay bank loans. Not only such approaches improve financial structure, long-term funds can also be obtained to maintain financial flexibility. In addition, the revenue scale of the placee - Chipbond Technology Corporation is better than the Company's and have better upstream, midstream and downstream integration capabilities which help the Company's competitiveness, enhancing business performance, expanding scale, and improving profitability. Therefore, the private placement shall be beneficial to the Company's finance.

(3) Impact on the Company's shareholders' equity

By introducing a strategic investor in the private placement, the future long-term development needs can be satisfied. The Company is committed to creating profit sources and competitive niches so that both companies are able to fully exchange and cooperate on production technology, manufacturing, and management experiences. Also, given that there are no conflicts between the two companies in the product application market, they can both enter their target market through strategic cooperation. The Company can also make a good use of the resources of the strategic investor to strengthen the competitiveness while continuing to improve business performances. Compared to public offerings, private placements may not be transferred for 3 years which further ensures the long-term relationship with strategic investors. Therefore, the private placement shall be beneficial to shareholders' equity.

4. Conclusion

The purpose of the proposed private placement is to introduce the strategic investor and to meet the fund needs of future long-term business development to strengthen the Company's competitiveness while continuing to enhance business performances which will help the Company's sustainable operation and development. The funds raised by the Private Placement are expected to be used to strengthen working capital, repay bank loans, and/or meet capital needs for future long-term development. After the evaluation performed by us regarding the impact of the Company's business, finance and shareholders' equity in the event of managerial control, the feasibility and necessity of the selection of a placee and the expected benefits of the private placement, the Company's issuance of preferred shares through the private placement to raise funds and introduce a strategic investor shall be necessary and reasonable.

Securities underwriter:Fubon Securities Co., Ltd.

Person in charge:Han, Wei-Ting

October 16, 2020

(Only for the use of the evaluation letter on the necessity and reasonableness of a private placement of securities with equity characteristics such as preferred shares by Orient Semiconductor Electronics)

Declaration of Independence

The Company has been appointed by Orient Semiconductor Electronics, Ltd. (hereinafter referred to “OSE”as) to provide an evaluation letter for the necessity and reasonableness for a private placement of securities with equity characteristics such as preferred shares.

The Company hereby declares that there are no following circumstances when executing the above operations:

1. The Company is not an investee of OSE under the equity method.
2. The Company is not an investment company that invests in OSE under the equity method.
3. The chairperson or president of the Company is not the same person as OSE’s chairperson or president, nor do they have a spouse or second-degree relationship.
4. The Company is not a director or supervisor of OSE.
5. OSE is not a director or supervisor of the Company.
6. Apart from the abovementioned matters, the Company and OSE have no relationship with related parties as stipulated in Article 18 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In evaluating the necessity and reasonableness of a private placement of securities with equity characteristics such as preferred shares conducted by Orient Semiconductor Electronics, Ltd., the Company has maintained a spirit of independence in the evaluation letter.

Fubon Securities Co., Ltd.
Personal in charge: Han, Wei-Ting

October 16 , 2020

Orient Semiconductor Electronics, Ltd.

Releasing the restrictions on directors' non-competition

Name	Proposed to request the shareholders meeting to lift the prohibition of competition
Phison Electronics Corporation Representative: Wee Kuan Gan	Phison Electronics Corporation /VP OSTEK CORPORATION /Director of institutional representative SUPER STORAGE TECHNOLOGY CORPORATION / Director of institutional representative
Daphane Wu	KINGSTON TECHNOLOGY FAR EAST CORP. /CFO Kingston Technology Company, Inc/ Supervisor PANRAM INTERNATIONAL CORP. / Supervisor Powertech Technology Inc./ Director of institutional representative
Philip H. H. Wei	CHIPBOND TECHNOLOGY CORPORATION /Independent Director

Orient Semiconductor Electronics, Ltd.

Rules of Procedure for Shareholders' Meetings

Establishment on March 8, 1990

Amendment on June 08, 2002

Amendment on June 11, 2013

- I. Unless otherwise provided by laws, the Company's shareholders' meeting shall be subject to this rule.
- II. The attending shareholders shall provide the sign-in card instead of signing in, and the number of attending shares shall be calculated according to the number of the sign-in cards.
- III. The attendance and voting for the shareholders meeting shall be calculated by the shares.
- IV. The place where the shareholders' meeting is held shall be at the place where the Company is located or where it is convenient for the shareholders' attending and shall be suitable for the shareholders' meeting. The starting time for the meeting shall not be earlier than 9.00 am or later than 3.00 pm.
- V. When the shareholders' meeting is convened by the board of directors, the chairperson shall chair the meeting. If the chairperson is on leave or unable to exercise the duties for certain reasons, the vice chairperson shall represent. If there is no vice chairperson or the vice chairperson is also on leave or unable to exercise the duties for certain reasons, the chairperson shall appoint one of the executive directors to represent. If there is no executive directors, one of the directors shall be appointed to represent. If the chairperson does not appoint the representative, the executive directors or directors shall recommend one of them to represent.
Provided that the shareholders' meeting is convened by a person other than the board of directors who has authority to convene, such convener shall chair the meeting.
- VI. The Company may appoint its assigned lawyers, CPAs or the related persons to attend the shareholders' meeting.
The staff who are in charge of the matters of the shareholders' meeting shall wear identification badges or armbands.
- VII. The Company shall conduct the sound recording or video recording for the entire process of the shareholders' meeting and keep it for at least one year.

VIII. At the time of the meeting, the chairperson shall call the meeting to order. However, if the attending shareholders do not represent more than half of the total number of shares issued, the chairperson may announce to postpone the meeting. The number of delays shall be limited to two times and total time delayed shall not exceed one hour. If the attending shareholders still do not represent one-thirds or more of the total numbers of shares issued after two-times of delays, the tentative resolutions may be made according to the first Paragraph of the Article 175 of the Company Act.

Before the end of the meeting, if the attending shareholders have represented more than half of the total number of shares issued, the chairperson may re-report the tentative resolutions to the meeting for voting according to Article 174 of the Company Act.

IX. When the shareholders' meeting is convened by the board of directors, its meeting agenda shall be determined by the board of directors. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders' meeting.

When the shareholders' meeting is convened by persons other than the board of directors who have authority to convene the meeting, the regulations of the preceding paragraph shall be applicable.

Before the scheduled agenda (including Questions and Motions) stated in the preceding two paragraphs are resolved, the chairperson shall not announce the adjournment.

After the adjournment of the meeting, the shareholders shall not elect another chairperson to continue the meeting at the same place or any other place. However, if the chairperson violates the meeting rules to announce the adjournment, the meeting may continue with the consent of more than half of the voting rights represented by the attending shareholders to elect one person to chair the meeting.

X. Before the attending shareholders speak, they shall fill in the notes stating their subjects, their shareholder account numbers (or their attending certificate number) and their names. The chairperson shall determine the order of speaking.

The attending shareholders who provide the speaking notes but did not speak will be deemed as not having spoken. When the content of speaking is different from the speaking notes, the content of speaking notes shall prevail.

When an attending shareholder speaks, other shareholders shall not speak to interfere without the consent of the chairperson and the speaking shareholder. Any violations shall be prevented by the chairperson.

XI. Without the consent of the chairperson Each shareholder on the same proposal shall not speak more than twice, and each speaking time shall not exceed 5 minutes. If a shareholder speaks in violation of the regulations stipulated in the preceding paragraph or exceeds the scope of the agenda, the chairperson shall prevent the speaker from going further.

XII. When a legal person is delegated to attend the shareholders' meeting, such legal person shall only assign one person to present his/her attendance.

When a legal person assigns 2 or more representatives to attend the shareholders' meeting, the same proposal shall only be spoken by one person.

XIII. After an attending shareholder speaks, the chairperson may answer in person or assign the related persons to answer.

XIV. When the chairperson considers that the discussion of a proposal has reached the level of voting, such discussion may be stopped discussing and proceed with the voting.

XV. The scrutineers and the tellers for the voting of the proposals shall be assigned by the chairperson, but the scrutineers shall be shareholders. The results of the voting shall be reported on the spot and made into a record.

XVI. During the meeting, the chairperson may, at his or her discretion, announce to take a break.

XVII. Unless otherwise provided by the Company Act and the Articles of Incorporation, the voting on a proposal shall be approved by more than half of the voting rights represented by the attending shareholders.

While voting, if the chairperson asks for an opinion and results in no objection, the motion shall be deemed to have been passed and its validity shall be the same as the voting.

XVIII. If there are amendments or alternatives to the same proposal, the chairperson shall combine them together with the original proposal and determine their voting order. If one of the proposals has been passed, the other proposals shall be deemed to have been vetoed and no further votes are required.

XIX. The chairperson may direct the pickets (or security guards) to assist in maintaining order in the venue. When the pickets (or security guards) are present to assist in maintaining order, the armbands with the printed words of "Picket" shall be worn.

XX. (Delete)

XXI. This rule shall be approved by the shareholders' meeting and implemented afterwards.

The amendment shall apply the same.

Orient Semiconductor Electronics, Ltd.

The Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Company has been founded in accordance with the Company Act and has been named the Orient Semiconductor Electronics, Ltd.

The Company's name in English is Orient Semiconductor Electronics, Ltd.

Article 2 The Company has established its head office at Nanzih Export Processing Zone in Kaohsiung City. If necessary, a branch company or more branches may be established at home or abroad with the resolution of the chairperson according to the laws.

Article 3 The Company's public announcements are duly made in accordance with the Company Act of the R.O.C and other applicable laws and regulations.

Chapter 2 Shares

Article 4 The Company's total capital is NT\$20 billion, which is divided into 2 billion shares with the par value of NT\$10 per share. The total number of shares is issued in installments, in which ninety million shares are retained for the purpose of the share subscription warrants and the board of directors is authorized to resolve the issuance at a suitable time.

Article 5 The Company's shares are all registered. Share certificates shall be affixed with the signatures and personal seals of three or more of the Company's directors and the serial numbers assigned. According to the laws, it shall be certified by the certifying institutions appointed by the competent authority before issuance. Taiwan Depository and Clearing Corporation may request to integrate and exchange to issue the large par value securities. The Company may deliver the stocks through the book-entry system with non-physical stocks according to the laws. The issuance of other securities shall apply the same.

The shares issued by the Company may be exempt from printing stocks with the registration of the centralized securities depository corporation.

Article 5-1 Delete.

Article 6 The Company shall conduct the stock affairs according to the "Criteria Governing Handling of Stock Affairs by Public Company" and the relevant laws announced by the concerned authority.

Article 7 Delete.

Article 8 Delete.

Article 9 The share transfer registration shall be suspended within 60 days prior to the annual meeting of the shareholders, within 30 days prior to the special shareholders' meeting, or within 5 days prior to the target date fixed by the company for the distribution of dividends, bonus or other benefits.

Chapter 3 Operations

Article 10 The Company's business is listed as the left:

(I)IC and various types of the semiconductor's parts and components.

(II)Various types of PCB for electronic, computer and communication.

(III)Hardware, software, systems and peripheral equipment for computer and communication

products.

(IV) Research and development, design, manufacture, assembly, processing, testing and after-sales service of the aforesaid products.

(V) General import and export trade business (except for licensing business).

Article 11 The Company may provide external guarantee business for the companies in the same industry.

Chapter 4 Shareholders' meeting

Article 12 The shareholders meeting is divided into general meeting and special meeting. The general meeting shall be held once a year within 6 months after the end of fiscal year. The special meeting shall be held in accordance with the relevant laws when necessary; the special shareholders' meeting shall be held by the board of directors in accordance with the relevant laws when necessary.

Article 13 The resolution of the shareholders' meeting shall, unless otherwise provided by the Company Act, be attended by the shareholders who represent more than half of the total number of the shares issued, and shall be approved by more than half of voting rights represented by the attending shareholders.

Article 14 The Company's shareholders have one vote per share. However, in case there are any circumstances stated in Article 179 of the Company Act, such shares shall not have the voting rights.

Article 15 When a shareholder is unable to attend the shareholders' meeting for reasons, he or she may execute a power of attorney issued by the Company and state the scope of delegation to appoint a proxy to attend the shareholders' meeting. For the method for the shareholders to delegate their attendance, except for complying with Article 177 of the Company Act, it shall be subject to the "Regulations Governing the Use of Proxies for Attendance at the Shareholders' Meetings of Public Companies" published by the competent authority.

Article 16 The resolution of the shareholders meeting shall be included into the meeting minutes, which shall be affixed with the chairperson's signature or personal seal and distributed to all shareholders within 20 days after the meeting. The distribution of the meeting minutes stated in the preceding paragraph shall be subject to Article 183 of the Company Act. The meeting minutes shall record the year, month, date and place of the meeting, the chairperson's name, the resolution method and the essentials of the meeting and its results. The meeting minutes shall be kept together with the sign-in book and the power of attorney in the Company.

Article 16-1 The shareholders' meeting shall be convened by the board of director and the chairperson shall chair the meeting. When the chairperson is absent, the chairperson shall appoint one of the directors to represent. If the chairperson does not appoint, one of the directors shall be elected as chairperson. If the meeting is convened by a person other than someone from the board of directors, such convener shall act as a chairperson. If there are two or more conveners, one of them shall be recommended as chairperson.

Chapter 5 Director and Supervisor

Article 17 The Company has set up 5 to 9 directors, including at least 3 independent directors with the 3-

year term, who shall be elected among the persons with disposing capacity by the shareholders' meeting and shall be re-elected. The elections of directors shall adopt the candidate nomination system. The nomination acceptance methods for the candidates of the directors and its announcement shall be subject to the applicable regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall conduct elections together and calculate the number of elected seats, respectively. However, the total number of registered shares held by the directors other than independent directors shall be subject to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" published by the competent authority.

For the remuneration of all directors of the Company, the board of the director is authorized to resolve it according to their participation in the Company's operation, the contribution value to the Company and the reference to the standard in the same industry.

Article 17-1 When the vacancy of the directors reaches one-thirds, the board of director shall hold the special shareholders' meeting within 60 days to conduct by-election; and the term shall be the remaining period of the current term.

Article 17-2 The convening of the Company's board of directors' meeting may be notified by writing, e-mail or fax.

Article 17-3 The Company may purchase the liability insurance for the directors against the indemnification that shall be liable in accordance with the law in the execution of their duties during their term of office in order to reduce and mitigate the risk of material damage to the Company and shareholders due to errors or negligence. The board of directors is authorized to handle the insurance-related matters.

Article 17-4 The Company shall establish the audit committee, and may establish other functional committee.

The audit committee shall be constructed by all independent directors. Its members shall not be less than 3 persons; one of them shall be the convener; and at least one person shall have the professional in accounting or finance field.

The audit committee shall be responsible for executing the supervisors' authority stipulated in the Company Act, the Securities and Exchange Act and other laws and shall comply with the relevant laws and the Article of Incorporation.

Article 18 The Company sets up one chairperson and shall be mutually elected from among the directors according to law. The Chairperson shall represent the Company externally and shall be responsible for all decisions of the Company. If the chairperson is on leave or unable to exercise the duties for certain reasons, the chairperson shall appoint one of the directors to represent. If the chairperson does not appoint the representative, one of the directors shall be recommended to represent.

Article 19 Unless otherwise provided by the Company Act, the resolution of the board of directors shall be attended by more than half of the directors and approved by more than half of the directors present. When a director is unable to attend the board of directors' meeting for reasons, he or she may conclude the power of attorney that lists the scope of delegation for the meeting to delegate other directors to attend, but one person shall only be delegated by one person.

Article 20 All the Company's business shall be submitted to the president for execution after the resolution of the board of directors. The board of directors shall be responsible for the supervision and evaluation.

Article 21 Delete.

Chapter 6 Managers and Consultants

Article 22 The Company may set up a manager; his appointment, dismissal and compensation shall be subject to the Article 29 of the Company Act.

The Company's manager has the authority of managing affairs and signatures within the scope of the delegation stipulated in the Articles of Incorporation or contract.

Article 23 The Company may employ a number of consultants with the resolution of the board of directors.

Chapter 7 Accounting

Article 24 The Company's fiscal year is from January 1 to December 31 of each year.

Article 25 At the end of each fiscal year, the Company's board of director shall prepare the following reports and shall report to the annual meeting of the shareholders for recognition:

I.Business Report.

II.Financial Statement.

III.Proposal for earnings distribution or deficit compensation.

Article 26 The Company shall first reserve the amount of the accumulated loss from the Profit before-tax of the year prior to deducting the compensation of the employees and remuneration of the directors. In the event of the remaining profit, it shall set aside 8% to 12% for the compensation of the employees and not higher than 3% for the remuneration of the directors.

The distribution ratios for the compensation of the employees and the remuneration of the directors as well as the distribution form by stock or cash shall be determined by the board of director with the attendance of two-thirds or more of the directors and resolution of one-half or more of the attending directors. And it shall be reported to the shareholders' meeting.

The counterparty of the employees' compensation with stock or cash may include the employees of the controlled or subordinate company who shall meet certain conditions.

Article 26-1 The Company's earnings distribution or loss make-up shall be carried out after the end of each quarter. Earnings are distributed in cash and shall be resolved by the board of directors and reported to the shareholders' meeting as required in Article 228-1 and Article 240 Paragraph 5 of the Company Act.

According to the Company's annual final accounts, the earnings shall, if any, be first provided for taxation and offset to the accumulated losses, followed by 10% of legal reserve as well as the provision or reverse of the special reserve pursuant to the laws or the regulations of the competent authority; the remaining earnings, if any, adding up the accumulated undistributed earnings in the previous years, shall be proposed by the board of director for the distribution and shall be reported to the shareholders' meeting for resolution.

The Company is situated in the changeable industrial environment and the business life

cycle is still in the growing stage. The Company shall take into account the future funds demand and long-term financial plan, as well as meet the demand of cash inflow for shareholders. The distribution of the earnings in the year shall not be less than 10% of the accumulated distributable earnings; however, when the accumulated distributable earnings is less than 1% of paid-in capital, it may not be distributed; in which the cash dividends shall not be less than 10% of the total dividends.

Chapter 8 Supplementary Provisions

Article 27 The Company's total re-investment may not be subject to 40% of the paid-in capital.

Article 28 The organizational regulations and operational regulations for the Company shall be determined by the board of directors, additionally.

Article 29 The items that are not specified in the Articles of Incorporation shall be subject to the Company Act and the relevant laws.

Article 30 The Company's Article of Incorporation was established on May 27, 1971.

The first amendment was made on August, 8, 1972.

The second amendment was made on March 9, 1974.

The third amendment was made on November 11, 1975.

The fourth amendment was made on May 10, 1977.

The fifth amendment was made on November 25, 1978.

The Sixth amendment was made on July 16, 1979.

The seventh amendment was made on May 13, 1980.

The eighth amendment was made on November 5, 1980.

The ninth amendment was made on July 11, 1981.

The tenth amendment was made on January 23, 1982.

The eleventh amendment was made on June 15, 1982.

The twelfth amendment was made on March 14, 1983.

The thirteen amendment was made on January 25, 1984.

The fourteenth amendment was made on April 21, 1984.

The fifteenth amendment was made on September 13, 1984.

The sixteenth amendment was made on July 1, 1985.

The seventeenth amendment was made on June 26, 1987.

The eighteenth amendment was made on December 12, 1987.

The nineteenth amendment was made on May 31, 1988.

The twentieth amendment was made on June 24, 1989.

The twenty-first amendment was made on April 8, 1990.

The twenty-second amendment was made on November 6, 1990.

The twenty-third amendment was made on June 15, 1991.

The twenty-fourth amendment was made on May 30, 1992.

The twenty-fifth amendment was made on May 29, 1993.

The twenty-sixth amendment was made on November 20, 1993.

The twenty-seventh amendment was made on June 11, 1994.

The twenty-eighth amendment was made on September 28, 1994.
The twenty-ninth amendment was made on June 10, 1995.
The thirtieth amendment was made on May 20, 1996.
The thirty-first amendment was made on May 22, 1997.
The thirty-second amendment was made on May 22, 1998.
The thirty-third amendment was made on June 14, 2000.
The thirty-fourth amendment was made on June 19, 2001.
The thirty-fifth amendment was made on June 19, 2002.
The thirty-sixth amendment was made on June 27, 2003.
The thirty-seventh amendment was made on April 28, 2004.
The thirty-eighth amendment was made on June 14, 2005.
The thirty-ninth amendment was made on June 14, 2006.
The fortieth amendment was made on June 21, 2007.
The forty-first amendment was made on June 15, 2010.
The forty-second amendment was made on June 15, 2012.
The forty-third amendment was made on May 6, 2015.
The forty-fourth amendment was made on June 22, 2016.
The forty-fifth amendment was made on June 18, 2019.
The forty-sixth amendment was made on June 18, 2020.

Orient Semiconductor Electronics, Ltd.

Chairperson: Yueh-Ming Tung

Orient Semiconductor Electronics, Ltd.

Rule for Director Elections

June 19, 2002 Amendment Announcement
June 22, 2016 Amendment Announcement
June 18, 2019 Amendment Announcement

- Article 1. The elections of the directors for the Company shall be subject to this rule.
- Article 2. For the election of the directors for the Company, each share shall have voting rights in a number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 3. Before the election begins, the chairperson shall designate a number of scrutineers and tellers to perform various related duties.
- Article 4. The election of the directors (including independent directors) for the Company shall adopt the candidate nomination system. The shareholders shall elect the number of persons designated by the Article of Incorporation from the list of the candidates. According to the statistical results from the electronic communication platform and the ballots, those persons whose received votes representing the highest number of voting rights will be elected in turn. When two or more persons receive the same voting rights and result in an excess of the number of persons to be elected, they shall draw lots to determine and the chairperson shall draw lots on behalf of the absent persons.
- Article 4-1. The Company's independent directors and non-independent directors shall conduct elections together according to the relevant regulations of this rule, and the independent directors and non-independent directors shall be counted, respectively. Those persons who receive the highest number of votes shall be elected, respectively.
- Article 5. The board of directors shall print the number of the ballots that are the same as the number of directors to be elected, add the number of voting rights and distribute them to the shareholders who will attend the shareholders' meeting.
- Article 6. For the election of directors, the board of directors shall set up the ballot boxes, which shall be opened in public by the scrutineers before the voting.
- Article 7. Provided that an electee is a shareholder, the shareholder shall fill in the account name and the shareholder's account number of an electee in the column of "electee" of ballot; if not, the name and identity card or tax ID number of an electee shall be filled in. However, when a government or a legal person shareholder is the electee, the name of such government or legal person shall be filled in the column of the account name of electee of the ballot; it also may be filled in the name of such government or legal person and its representative; provided that there are several representatives, the names of the representatives should be added respectively.
- Article 8. The ballots shall be void in case one of the following circumstances occurs:
- (I) A ballot that does not comply with the regulation of this rule.
 - (II) A ballot that is blank to be put into ballot box.

(III) A ballot with illegible writing or being altered.

(IV) Provided that an electee is a shareholder, the account name and shareholder's account number are different from the shareholder register; or in case an electee is not a shareholder, the name and identity card or tax ID number are checked to make sure there are no discrepancies.

(V) In addition to filling in the electee's account name (name) or shareholder's account number (identity card or tax ID number) and the allocated number of voting rights, the other characters must be written.

(VI) A ballot without filling in the account name (name) or the shareholder's account number (identity card or tax ID number) of the electee.

(VII) A ballot filled in for 2 or more electees.

Article 9. The ballots shall be counted on site after the voting is completed, and the results of voting shall be announced by the chairperson on site.

Article 10. The board of directors shall issue the notifications to the elected directors respectively.

Article 11. The items that are not specified in this rule shall be subject to the Company Act and the relevant laws.

Article 12. This rule shall be implemented after the approval of the shareholders' meeting. The same shall apply to the amendment .

Orient Semiconductor Electronics, Ltd.

List of the Directors

Base Date: November 4, 2020

Position	Name	Date Elected	Shareholding While Elected			Current Shareholding			Remarks
			Type	Number of Shares	Shareholding Ratio (%) at the time	Type	Number of Shares	Shareholding Ratio (%) at the time	
Chairperson	Yueh-Ming Tung	June 18, 2019	Common stock	34,739	0.01%	Common stock	534,739	0.10%	
Director	Phison Electronics Corporation	June 18, 2019	Common stock	7,336,369	1.33%	Common stock	7,336,369	1.32%	
Director	Hok-Ngang Chui	June 18, 2019	Common stock	10,711,948	1.94%	Common stock	10,711,948	1.92%	
Independent Director	Ching-Tien Tsai	June 18, 2019	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Jerry Chiu	June 18, 2019	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Philip H. H. Wei	June 18, 2019	Common stock	0	0.00%	Common stock	0	0.00%	
合 計			Common stock	18,083,056		Common stock	18,583,056		

Total Number of Shares Issued on June 18, 2019: 552,328,533 Shares

Total Number of Shares Issued on November 4, 2020: 557,114,533 Shares

Note: The minimum shareholdings of all directors required by law: 17,827,665 shares, the shareholdings of all directors on November 4, 2020: 18,583,056 Shares

The company has set up an audit committee, so there is no applicability of the number of shares that should be held by the supervisor.

© The shares held by independent directors shall not be counted in the calculation of directors' shareholdings.