

Stock Code : 3296



**POWERTECH INDUSTRIAL CO., LTD**

**2017 Annual General Shareholders' Meeting  
Meeting Handbook**

**MEETING TIME: June 14, 2017 at 9:00 AM**

**PLACE: 10F., No. 407, Sec. 2, Zhong Shan Rd.,  
Zhonghe Dist. New Taipei City 23558,  
Taiwan (R.O.C)**

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# POWERTECH INDUSTRIAL CO., LTD.

## **2017 Annual General Shareholders' Meeting Procedure**

1. Report the number of shares to attend
2. Chairman to announce the commencement of meeting
3. Chairmen Remarks
4. Management Presentation
5. Recognition
6. Discussion
7. Questions and Motions
8. Adjournment

**POWERTECH INDUSTRIAL CO., LTD**  
**2017 Annual General Shareholders' Meeting**  
**Agenda**

**Time:** 09:00 a.m. June 14 ,2017 (Wednesday)

**Place:** 10F., No.407,Sec. 2, Zhong Shan Rd., Zhonghe Dist., New Taipei City 23558,  
Taiwan (R.O.C)

- I. Report the number of shares to attend
- II. Chairman to announce the commencement of meeting
- III. Chairman Remarks
- IV. Management Presentation
  - 1. Report on Business for the year 2016
  - 2. Supervisor Review Report for the year 2016 Financial Statements
  - 3. Rewards to employees and board of directors in 2016
  - 4. The report of Investment in China
  - 5. The execution of the shares repurchase plans
  - 6. Formulate rules for corporate governance practices
- V. Recognition
  - 1. Adoption of the 2016 Business Report and Financial Statements
  - 2. Adoption of the Proposal for the Distribution of 2016 Profits
- VI. Discussion
  - 1. Amendment to the Rules of Shareholders' Meeting
- VII. Questions and Motions
- VIII. Adjournment

# Management Presentation

No. 1

Proposed by the Board of Directors

**Proposal:**

Report on Business of the year 2016

**Explanatory Notes:**

1. 2016 Business Report is attached hereto as Attachment 1.

No. 2

Proposed by the Board of Directors

**Proposal:**

Supervisor Review Report on the 2016 Financial Statements

**Explanatory Notes:**

1. The year 2016 financial statements have been audited by the Independent Auditors and the Independent Auditors' Report was issued. In addition, 2016 Business Report have been reviewed and examined by Supervisors.
2. Supervisors' Review Report for the year 2016 financial statements is attached hereto as Attachment 2.

## No. 3

Proposed by the Board of Directors

### **Proposal:**

Rewards to employees and board of directors in 2016

### **Explanatory Notes:**

1. In accordance with the Articles of Incorporation of the Company, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be rewarded to employees as compensation in an amount of 2%~15% thereof and to directors as compensation in an amount of not more than three percent (3%) of such profits. Notwithstanding the foregoing, in the event that the company has accumulated losses, the Company shall first reserve an amount to offset accumulated losses.
2. The distribution of compensation to employees and directors for the year 2016, as approved by the Remuneration Committee and the Board of Directors, are NT\$ 10,000,000 and NT\$ 2,000,000, respectively. The compensations shall be distributed in the form of cash.

No. 4

Proposed by the Board of Directors

**Proposal:**

The report of Investment in China

**Explanatory Notes:**

1. The company investment report in China of the year 2016 is attached hereto as Attachment 3.

No. 5

Proposed by the Board of Directors

**Proposal:**

The execution of the shares repurchase plans

**Explanatory Notes:**

1. The company of the execution of the shares repurchase plans in 2016 is attached hereto as Attachment 4.

No. 6

Proposed by the Board of Directors

**Proposal:**

Formulate rules for corporate governance practices

**Explanatory Notes:**

1. Based on the relevant provisions of the Code of Corporate Governance Practices on the Listing Rules, the Company's rules for Corporate Governance Practices is attached hereto as Attachment 5.

# Recognition

# No. 1

Proposed by the Board of Directors

## **Proposal:**

Adoption of the 2016 Business Report and Financial Statements

## **Explanatory Notes:**

1. The Company's 2016 financial statements have been audited by Lu Li Ly and Wang Yung Sheng, certified public accountants from KPMG, who have issued and Audit Report.
2. The "2016 Business Report" and "2016 Financial Statements" are attached hereto as Attachments 1 and 6.

## **Resolution:**

## No. 2

Proposed by the Board of Directors

### **Proposal:**

Adoption of the Proposal for Distribution of 2016 Profits

### **Explanatory Notes:**

1. The 2016 Earnings Distribution Proposal was prepared by the Board of Directors according to the ROC Company Act and Articles of Incorporation of the Company.
2. The amount of earnings for the year 2016 available for distribution to shareholders as dividend and bonus is NT\$ 117,869,340. Such amount is proposed to be distributed in the form of cash dividend. Each shareholder will be entitled to receive a cash dividend of NT\$ 1.2 per share. Cash dividend shall be distributed and paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place).
3. After the resolutions adopted by the 2017 Annual General Meeting of Shareholders, it is proposed that the Board of Directors be authorized by the General Shareholders' Meeting to determine the record date of cash dividend distribution.
4. As of April 15, 2017, the number of shares issued by the company that is eligible to receive is 98,224,450 shares. However, if the number of outstanding shares is changed afterward due to the share buy-back or redemption by the Company, transfer of treasury stock to employees, share cancellation and other factors so that the distribution ratio for the cash dividend must be adjusted accordingly, it is proposed that the Board of Directors be authorized by the General Shareholders' Meeting to deal with this matter with full authority.

### **Resolution**

# Discussion

No. 1

Proposed by the Board of Directors

**Proposal:**

Amendment to the Rules of Shareholders' Meeting

**Explanatory Notes:**

1. Amendment to the Rules of Shareholders' Meeting is proposed to accommodate the business need of the Company and the requirements of applicable laws and regulations.
2. The After Amendment to the Rules of Shareholders' Meeting is attached hereto as Attachment 7.

**Resolution:**

# Questions and Motions

# Adjournment

## Attachment 1 2016 Business Report

### Operating Report of 2016

#### A. The implementation of business plans

Unit: in thousand NTD

Item	2016		2015		Increase/decrease	
	NT	%	NT	%	NT	%
Operating Income	2,893,975	100.00%	2,696,873	100.00%	197,102	7.31%
Operating Margin	549,463	18.99%	453,858	16.83%	95,605	21.06%
Operating Interest	103,827	3.59%	1,965	0.07%	101,862	5183.82%
Pre-tax net profit	145,071	5.01%	13,535	0.50%	131,536	971.82%
After-tax profit	129,903	4.49%	9,359	0.35%	120,544	1288.00%

Source: KPMG audited Financial Statements of 2016

In fiscal 2016, the consolidated operating income was \$ 2,893,975 (thousand NT), representing an increase of \$ 197,102 (thousand NT) or 7.31% for 2015. The consolidated operating margin for the year was \$ 549,463 (thousand NT), up by \$ 95,605 (thousand NT) or 21.06% over year of 2015. The After –tax profit of year 2016 was 129,903 (thousand NT), an increase of 120,544 (thousand NT), an increase of 1,288% for year 2015. °

In 2016, the global economy in the dollar is expected to warm up the trend of warming, by the US economic recovery to promote the global economy as a whole to the path of moderate growth. Overall, in the year 2016, the biggest bright spot in the US economy is still the job market wage growth and the employment rate continued to recover steadily; and the new US leaders in their economic strategy is the direction of the capital market and financial environment, the majority of institutions In addition, the relevant taxation and fiscal policy can be effectively implemented, the United States has a positive overall economic help; the most unexpected is the most important thing is to promote the economic growth of the United States, - European "black swan" event frequency, making the European Economic Festival exogenous branches, especially in the United Kingdom off the most serious, the EU market countries fall apart rumors also affected the EU economic progress, this wave will continue to 106 years, affecting the global consumer market Recovery and stabilization. In addition, due to the main currency in 2016 in the exchange rate remained weak and the raw material market by the impact of oversupply, relatively low, the company's manufacturing costs and sales promotion have a positive help, which resulted in 2016 overall operating performance compared to Good year of 2015.

Looking forward to the year 2017, the latest international economic situation, observed by international forecasting agencies such as the World Bank, Global Insight and the International Monetary Fund, show that the global economic and trade growth rate in 2017 is higher than that in 2016, the International Monetary Fund (IMF) estimates that the US 2017 annual GDP growth rate will reach 2.3%. IMF predicts that the euro zone's major countries, most of them have a positive development; only the British off the European influence and the political uncertainty of the European countries, also brought a relatively conservative wait and see. While the international oil prices and raw material prices in economic demand driven by the increase in

operating costs may have a negative effect on the 2017 overall environment to bring operational variables. The Company will continue to actively introduce new products and develop new markets, and the Company will continue to actively engage in the integration of production and marketing and the strengthening of its competitiveness, although the increase in the number of non-measurable factors in the global market and the intensification of the supply side competition The Business, with the external industrial environment changes, the development of competitive strategies, and actively develop new products, new customers and new application market. Research and development, in response to energy-saving carbon requirements, the establishment of energy management units, to accelerate the development of related products. In the service, with customer needs, to provide better quality and delivery, improve the threshold of competition. In the social responsibility, with the market for green, energy saving and carbon footprint verification and other needs, planning a series of green, energy saving, carbon reduction and other energy management products, in the pursuit of profits at the same time, good social responsibility.

B. the result of the budget :

Unit: in thousands

項目	Amount(actual)	Amount(budget)	Actual/budget
Surge Protector for IT Peripherals	12,261	12,127	101.10%
Power Noise Filter for Audio and Video Devices	730	986	74.04%
IoT and Smart Home Power Safety System	299	1,231	24.29%
Others	903	522	172.99%
Total	14,193	14,866	95.47%

### Analysis of financial revenue and expenditure and profitability

Unit : in thousand NT

item		2016	2015	Increase/ decrease
Revenue and Expenditure	Revenue	2,893,975	2,696,873	7.31%
	Operating margin	549,463	453,858	21.06%
	Net profit after tax	129,903	9,359	1288.00%
Profitability	ROA(%)	5.00%	0.37%	1251.05%
	ROE(%)	7.18%	0.52%	1284.02%
	Net return (%)	4.49%	0.35%	1193.47%
	Retrospective EPS(元)	1.22	0.08	1425.00%

### research and development status

The R&D expenses invested by the Company in 2016 :

Unit : in thousand NT

Item	Amount

R&D costs	158,092
Net operating income	2,893,975
Accounting for net operating income ratio	5.46%

**C. Operating principles:**

1. Good customer service, to develop new customers, new markets and new applications to expand the scale of operation of the company.
2. Strengthen the core technology research and development, the development of higher value-added new products to increase the competitive threshold to enhance profitability.
3. Patent layout, strengthen intellectual property protection, to improve the industry barriers to entry.
4. Strict control of costs, improve management efficiency, enhance international competitiveness.

**The expected number of sales and its basis**

Based on the industrial environment and the supply and demand of the market, and considering the own capacity and business development, the Company expects sales as follows

Unit : in thousands

Item	Amount
Surge Protector for IT Peripherals	15,134
Power Noise Filter for Audio and Video Devices	530
IoT and Smart Home Power Safety System	1,779
Others	5
Total	17,448

**Important production and marketing policies**

1. Continuously invest in innovative research and development, improve product quality and reduce production costs.
2. Strengthen the process management, improve production efficiency.
3. To grasp the pulse of raw material prices, strengthen inventory control, play procurement advantages . .
4. To grasp the market trends, the development of new products, develop new applications market, to enhance profitability to expand the breadth and depth of the product .

**The future development strategy of the company**

1. Continuously attract talented people, with the ability of existing staff to enhance.

2. With the market trends, and actively develop green products, and strive to product innovation, expand product niche.
3. Strengthen the marketing channels, enhance the quality, price and delivery competitiveness, to enhance market share.

**By the external competitive environment, regulatory environment and the overall operating environment**

In the global climate change, the rise of environmental awareness, energy management and energy conservation and carbon reduction issues, has gradually transformed into the pursuit of profit and good corporate social responsibility of the primary goal. The overall community for enterprise products, the tracking and verification of carbon footprint needs continued to heat up, but also to provide the company to broaden the competitive threshold of the product opportunities. The company will focus on power management technology research and development, through the combination of part of the cloud and software technology, the introduction of a more comprehensive environmental energy solutions to meet customer demand for high efficiency energy management products.

I would like to thank the shareholders for their support of the Company on the report on the business report for the year 2016 and the summary of the 2017 business plan. The company will also make the best efforts of all employees, forging chain is better than the previous operating strength, performance support for shareholders to return. In the future, we hope that the shareholders will continue to give the company support and encouragement to create a bright future. I wish all the shareholders good health, all the best! !

**Sincerely yours,**

**Chairman of the Board and CEO: Yi-Hsiung Chou**

**Accounting Office: Kevin Kuo**



**Attachment 2 Supervisors' Review Report for the year 2016 Financial Statements**

**SUPERVISORS' REVIEW REPORT**

The Board of Directors has prepared the Company's 2016 Financial Statements. The CPA firm of KPMG, by CPA Lu Li Ly and Wang Yung Sheng, was retained to audit the Company's Financial Statements and has issued an audited report relating to the Financial Statements. The Financial Statements, Business Report, and the Proposal for Distribution of 2016 Profits have been reviewed and determined to be correct and accurate by Supervisors. According to Article 219 of the Company Law, we hereby submit this report.

Supervisors: Chin-Yang Chen  
Shin-Rong Shiah-Hou  
Jun-Yu Huang

March 20, 2017

### Attachment 3 The Report of investment in China of the year 2016

Year : 2016

Unit : in thousand NT

The invested company in China	Business Item	Capital	Invest Way	Accumulated investment amount From Taiwan last Year	This year to recover the amount of investment		Accumulated investment amount From Taiwan this Year	Profit	Shares hold	Equity hold	Profit this year	Book value end of this year	Recover profit this year
					remitted	Received							
DONGGAN QUAN-SH ENG ELECTRIC CO.,LTD	Engaged in the socket, wire and cable, power cord production and sales, and provide after-sales service.	398,292 (HK29,994 US8,483)	(二)1.	398,292 (HK29,994 ; US8,483)	-	-	398,292 (HK29,994 ; US8,483)	6,755	100%	100%	6,755	1,016,951	-
DONGGAN FUJU ELECTRIC CO.,LTD	Power lines, wires, plastic covers, circuit board components, radios, power outlet items.	123,679 (US3,835)	(二)2.	120,163 (US3,726)	-	-	120,163 (US3,726)	2,450	100%	100%	2,450	(112,519)	-
DONGGAN KANG-QI TRADE CO.,LTD	Sales of electrical appliances, power outlets, wire and cable, computer peripherals.	4,617 (RMB1,000)	(二)3.	-	-	-	-	(496)	100%	100%	(496)	6,120	-

Remarks 1 : Is based on the financial statements of the parent company of Taiwan, which is verified by the equity method.

Remarks 2 : The investment method is divided into the following three :

(一) Directly to the mainland to engage in investment ◦

(二) Through the third region to invest in the establishment of the company to invest in mainland companies :

1. The above amount of investment is the amount of money transferred by the Company to SURGELION INT'L LTD to Dongguan Quan Sheng Electric Co., Ltd.
2. The above amount of investment is the amount transferred by TOTAL PLUS INT'S LTD to Dongguan Fu Ju Electric Co., Ltd.
3. The above amount of investment for the Dongguan Quan Sheng Electric Co., Ltd. direct investment to Dongguan City Kang Qi Trade Co., Ltd. ◦

#### Attachment 4 The Execution of the Shares Repurchase Plans

	1st	2nd	3rd	4th	5th	6th
Board of Directors Adoption Date :	2008/9/8	2011/8/30	2013/1/25	2015/7/27	2016/6/27	2017/1/23
Actual execution period :	2008/9/19 ~2008/11/18	2011/8/31 ~ 2011/9/15	2013/2/5 ~ 2013/3/27	2015/7/29 ~ 2015/9/25	2016/7/13 ~2016/8/26	2017/2/2 ~2017/3/6
Actually repurchase the number of shares :	1,855,000	360,000	892,000	3,000,000	5,000,000	5,000,000
Actually repurchase the total amount of shares :	NT\$27,557,383	NT\$ 6,350,828	NT\$15,386,890	NT\$45,354,173	NTD\$68,345,029	NT\$89,837,190
Average buyback price per share :	NT\$14.86	NT\$17.64	NT\$17.25	NT\$15.12	NT\$13.67	NT\$17.97
Number of shares transferred :	1,855,000	360,000	0	0	0	-
Number of canceled shares :	0	0	892,000	3,000,000	5,000,000	-
Remarks :	Has been transferred	Has been transferred	Has been canceled	Has been canceled	Has been canceled	-

## **Attachment 5 Rules of Corporate Governance Practices**

Powertech industrial Co., Ltd  
Rules of Corporate Governance Practices

### Chapter 1 General Provisions

#### Article 1

In order to establish a sound corporate governance system, the Company has formulated this Code to comply with the relevant provisions of the Code of Practice for Corporate Governance of Listed Companies.

#### Article 2

The Company shall establish a corporate governance system, in addition to complying with the provisions of the Act and the Articles of Association and the matters relating to the contract and related regulations signed with the Competent Authority, in accordance with the following principles:

First, build an effective corporate governance structure.

Second, protect the interests of shareholders.

Third, strengthen the functions of the board.

Fourth, respect for the interests of shareholders. Fifth, to enhance the transparency of information.

#### Article 3

The company governed by public companies to establish internal control system dealing with provisions of the code, taking into account the activities of the company and subsidiaries as a whole, to establish an effective internal control system and shall be reviewed at any time and in response to changes in the internal and external environment, so as to ensure that the design and implementation of the system of sustainability.

Except with the approval of the competent authority who, setting or amending of the internal control system shall be approved by the Board of Auditors (Ombudsman) one-second per cent of all the members agreed, and resolutions of the Board. If there are objections or reservations for independent directors, should be set out in the proceedings of the Board of Directors. In addition to the company to handle their assignments of the internal control system, Board of Directors and the management shall review at least annually the Department to examine the results and audit report audit of the unit.

Assessment of the effectiveness of the internal control system shall be approved by the Board of Auditors (Ombudsman) one-second per cent of all the members agreed, and resolutions of the Board. The company management should focus on internal audit units and personnel, giving full permission to press it to really check, assessment of the internal control system defects and measure of operating efficiency, to ensure continued effective implementation of the system, and to assist the Board of Directors and management in fulfilling its responsibilities, and the implementation of corporate governance system. For the implementation of the internal control system, strengthening the professional capacity of internal audit agents to upgrade and maintain audit quality and performance. The company's internal auditors should set Deputy

Chapter II protection of shareholders ' rights  
section I encourage shareholders to participate

Article 4

The company corporate governance corporate governance system should aim at maximum protection of shareholders ' rights and equitable treatment of all shareholders. Should be established to ensure that the shareholders of the company on major matters of the company fully aware of the corporate governance, participation and decision rights.

Article 5

The company in accordance with the company law and the relevant provisions of the decree convening shareholders ', and developed a complete rules of procedure, the matter shall be by resolution of the shareholders, shall be according to the rules of procedure of the Executive. The resolution of the shareholders of the company shall comply with the Act and the company's articles of Association.

Article 6

The company's Board of directors should properly arrange the topics and procedures of shareholders, the shareholders ' discretion of reasonable discussions on various topics and give shareholders the right of speaking opportunities. Convened by the Board of shareholders should have a majority of the directors of the Board (at least one independent Director) to attend.

Article 7

Company should encourage shareholders ' participation in corporate governance of the company and the shareholders ' meeting held on the premise of legitimate, effective and safe. The company through various ways and means, and full use of science and technology information disclosure and voting method should sync upload English shareholders meeting notification meetings, rules of procedure manuals and the supplementary data, so as to improve the ratio of shareholders attending the shareholders ' meeting, and ensure that shareholders in shareholders will exercise their shareholders ' rights according to law. The company advised shareholders ' motion to vote on a case, and after the shareholders ' meeting held the same day, shareholders agreed, against or abstain from voting results of the company specified Internet information reporting system.

Article 8

The Company shall record the year, month, day, place, name and resolution of the meeting in accordance with the provisions of the Company Law and the relevant laws and regulations, and shall record the essentials and results of the proceedings. The election of the directors shall indicate the number of votes to be elected and the number of elected directors.

The minutes of the shareholders' meeting shall be kept in good faith during the existence of the company, and the website of the company shall be fully exposed.

Article 9

The chairman of the shareholders' meeting shall fully understand and abide by the rules and regulations of the company and keep the agenda smooth and shall not arbitrarily adjourn the meeting.

In order to protect the majority shareholder's interest, in the event of a presidential meeting in violation of the rules of procedure, the other members of the board of directors shall promptly assist the shareholders in the legal process, with the consent of the majority of the shareholders voting Chairman of the meeting, to continue the meeting.

#### Article 10

The Company shall attach importance to the rights of shareholders and ensure that the Company's financial, business, insider holdings and corporate governance are provided and regularly provided by the Public Information Observatory or the Company's website Message to shareholders.

#### Article 11

Shareholders shall have the right to share the Company's surplus. In order to ensure the investment interests of shareholders, shareholders will be in accordance with the provisions of Article 184 of the Company to check the board of directors made the book, and the resolution of the distribution of surplus or loss of funding. When the shareholders' meeting is to be disclosed before the implementation of the shareholders, the inspector shall be elected.

Shareholders may, in accordance with the provisions of Article 245 of the Company Law, appeal to the court to appoint inspectors to check the business accounts and property. The board of directors and managers of the Company shall fully cooperate with the inspection work of the first two inspectors and shall not obstruct, reject or circumvent the conduct.

#### Article 12

The Company shall obtain or dispose of significant financial business activities such as assets, capital loans and endorsement guarantees, and shall handle the relevant laws and regulations in accordance with the relevant laws and regulations and submit relevant procedures to the shareholders 'meeting for the purpose of safeguarding the shareholders' equity.

#### Article 13

In order to ensure the shareholders 'equity, the Company shall have the relevant personnel to properly handle the shareholders' suggestions, doubts and disputes. The shareholders 'meeting of the Company, the resolution of the board of directors of the Company, violates the laws and regulations or the articles of association of the company or its directors and managers in violation of the provisions of the decree or the articles of association of the company, causing the shareholders' equity to be harmed.

Section 2 Corporate Governance Relationship between Corporate and Related Companies

#### Article 14

The management rights of personnel, assets and finance between the Company and its affiliated enterprises shall be clarified and the risk assessment shall be carried out and the appropriate firewall shall be established.

#### Article 15

The managers of the Company shall not, in addition to the provisions of the Act, do not concurrently with the managers of the relational enterprises.

The directors shall, for their own or others, act in the business scope of the company and shall explain the important contents of their conduct to the shareholders' meeting and obtain their permission.

#### Article 16

The Company shall establish a sound financial, business and accounting management system in accordance with the relevant laws and regulations and shall, in accordance with the relevant laws and regulations, properly handle the comprehensive risk assessment and carry out the necessary control mechanisms on the major counterparts, customers and suppliers , To reduce credit risk.

#### Article 17

Where there is a business deal between the Company and a related enterprise, it shall, on the principle of fairness and reasonableness, formulate written specifications on the financial operations related to each other and put an end to the unconventional transaction.

The transactions between the Company and its shareholders and their shareholders shall also be handled in accordance with the preceding paragraph and Interest delivery situation.

#### Article 18

The following matters shall be observed for legal person shareholders who have control over the Company:

First, the other shareholders should have the obligation to integrity, not directly or indirectly, the company is not open business or other unfavorable business.

Second, The representative shall comply with the relevant norms prescribed by the Company in exercising its rights and participating in the resolution, and shall, at the time of participation in the shareholders 'meeting, exercise its right to vote in the best interests of the Company and the best interests of all shareholders and shall be able to exercise the directors' Attention duty.

Third, The nomination of the directors of the Company shall be handled in accordance with the relevant laws and regulations and the Articles of Association of the Company and shall not exceed the terms of reference of the shareholders' meeting and the board of directors.

Fourth, have to intervene in the company decision-making or hinder the business activities.

Fifth, Do not restrict or hinder the production and operation of the Company in such a way as to unfair competition by monopolizing the purchase or closing of the sales pipeline.

#### Article 19

The Company shall keep abreast of the list of the ultimate controller holding a large proportion of the shares and the actual control of the major shareholders and major shareholders of the Company.

The Company shall regularly disclose the relevant pledge of the shareholders holding more than 10% of the shares, increase or decrease the shares of the Company or other important events which may cause the change of the shares to be supervised by other shareholders.

The term "substantial shareholder" as mentioned in the first term refers to the proportion of shareholders who have more than 5% of the equity or the proportion of the shares in the top ten, but the Company has to control the shareholding of the Company in accordance with its actual control.

### Chapter III Strengthening the Functions of the Board of Directors

#### Section 1 Board structure

##### Article 20

The board of directors of the Company shall be responsible to the shareholders' meeting. The operation and arrangement of the corporate governance system shall ensure that the board of directors shall exercise its functions and powers in accordance with the provisions of the laws and regulations or the shareholders'

The structure of the board of directors of the Company shall be based on the size of the Company's business development and its holdings of its major shareholders.

The need for the operation, the decision of the appropriate directors seats.

Members of the Board should focus on gender equality and generally have the knowledge, skills and literacy necessary to carry out their duties. In order to achieve the ideal goal of corporate governance, the board as a whole should have the following capabilities:

First, operational judgment.

Second, accounting and financial analysis capabilities.

Third, management and management capabilities.

Fourth, the crisis handling capacity.

Fifth, industry knowledge.

Sixth, the international market concept.

Seven, leadership ability.

Eight, decision-making ability.

##### Article 21

The Company shall establish a fair, impartial and open procedure for the selection of directors and shall adopt the cumulative voting system in accordance with the provisions of the Company Law to fully reflect the opinions of the shareholders.

In addition to the approval of the Competent Authority, the Company shall have more than half of the seats between the Directors and shall not have a personal relationship within the spouse or the second parent.

The total number of shares held by the directors of the board of directors of the Company shall be in accordance with the provisions of the Act, System, the right to set or release and change the situation should be handled in accordance with the relevant provisions of the information and should be fully exposed  
dew.

##### Article 22

In the articles of association, the Company sets out the eligibility criteria for the candidates for the directors recommended by the shareholders or directors, the background of the academic experience and the circumstances listed in Article 30 of the Company Law And to review the results of the review to provide shareholders with reference to the selection of qualified independent directors.

### Article 23

The duties of the chairman and general manager of the Company shall be clearly divided.

### Section II Independent Director System

#### Article 24

The Company shall set up an independent director of not less than two persons in accordance with the articles of association and shall not be less than one fifth of the seats of the directors. Independent directors should have professional knowledge, their holdings and part-time should be limited, and in the implementation of the scope of business should be independent, not with the company have direct or indirect interest. The election of independent directors of the Company shall be in accordance with the provisions of Article 192 of the Company Law and shall be formulated in the Articles of Association and the shareholders shall be elected on the list of candidates for independent directors. Independent directors and non-independent directors shall be elected in accordance with the provisions of Article 189 of the Company Law, respectively, to calculate the elected places.

If the independent director fails to do so, the number of persons who are less than the first or the articles of association shall be elected by the latest shareholders. When the independent directors are dismissed, the Company shall hold the shareholders within 60 days from the date of the occurrence of the facts will be by-election.

The matters such as the professional qualifications, holdings and part-time restrictions of independent directors, the determination of independence, the way of nomination and other measures to be followed shall be determined by the provisions of the Securities Exchange Act, the setting up of the independent directors of the public offering company and the matters to be followed To handle.

#### Article 25

The following matters shall be passed by the resolution of the board of directors, except for those approved by the competent authority. If there is any objection or reservation, the independent directors shall, in the meeting of the board of directors,

1. To establish or amend the internal control system in accordance with Article 14 of the Securities Exchange Act.
2. In accordance with Article 36 of the Securities Exchange Act, one of the provisions of Article 36 of the Securities and Exchange Act shall be formulated or amended to deal with the processing of significant financial business conduct of obtaining or disposing of assets, engaging in derivative commodity transactions, loaning loans with others, endorsing or providing guarantees for others.
3. Matters involving the directors' own interests.
4. Significant assets or derivative commodity transactions.
5. The major funds of credit, endorsement or provide assurance.
- 6, to raise, issue or private equity securities with the nature of equity.
7. Appointment, dismissal or remuneration of a visa accountant.
8. The appointment and removal of financial, accounting or internal audit supervisors.
9. Other significant matters as prescribed by the competent authority.

#### Article 26

The Company or other members of the Board shall not restrict or obstruct the

independent directors from performing their duties.

The remuneration of the directors shall reflect the performance of the individual and the long-term performance of the Company and shall take into account the risks of the Company's business.

The Company shall, in accordance with the articles of association, make a special surplus reserve in accordance with the order of the shareholders' meeting or in accordance with the order of the competent authority, the order shall be prior to the allocation of the statutory surplus reserve, before the distribution of directors and employees. In the statute of the surrender of the special surplus reserve to the unallocated surplus.

### Section III Audit Committee and Other Functional Committees

#### Article 27

The Board of Directors of the Company may set up various functional committees to improve the supervision function and strengthen the management functions. The functional committee shall be responsible to the board of directors and refer the proposal to the board of directors. Except that the Audit Committee shall exercise the powers of the Superintendent under section 14, paragraph 4, of the Securities Exchange Act. The functional committee shall establish the organization's procedures and adopt it through the resolution of the board of directors. The contents of the organization's rules shall include the number of the committee, the term of office, the terms of reference, the rules of procedure, the resources to be provided by the company when exercising its functions and powers.

#### Article 28

When an audit committee is set up by the Company, it shall not be less than three persons, one of whom shall be a convener, and at least one person shall have accounting or financial expertise.

The Company sets up the Audit Committee, the Securities Exchange Act, the Company Law and other laws and regulations, and is used by the Audit Committee.

If the Company sets up the Audit Committee, the following matters shall be treated by more than one-half of all members of the Audit Committee.

And the board of directors of the resolution, does not apply the provisions of Article 25 of this Code:

1. To establish or amend the internal control system in accordance with Article 14 of the Securities Exchange Act.
2. The effectiveness of the internal control system assessment.
3. Procedures for the processing or repair of significant financial business conduct of obtaining or disposing of assets, engaging in derivative transactions, financing and others, endorsing or providing guarantees for others, as provided for in Article 36 of the Securities Exchange Act.
4. Matters involving the directors' own interests.
5. Significant assets or derivative commodity transactions.
6. Major loans to the loan, endorsement or provide assurance.
7. To raise, issue or private equity securities of the nature of equity.
8. Appointment, dismissal or remuneration of a visa accountant.

9. Removal of financial, accounting or internal audit supervisors.

10. Annual financial report and semi-annual financial report. But the semi-annual financial report in accordance with the law does not require the accountant to check the visa, not the limit.

11. Significant matters stipulated by other companies or competent authorities.

The exercise of the terms of reference of the members of the Audit Committee and its independent directors shall be handled in accordance with the provisions of the Securities Exchange Act and the exercise of the terms of reference of the Audit Committee of the Public Issuing Company and the Stock Exchange.

#### Article 29

The Company has set up a salary remuneration committee; its members' professional qualifications, the exercise of their terms of reference, the rules and regulations of the organization and the relevant matters shall be handled in accordance with the provisions of "the listing of shares or the establishment and exercise of the terms and conditions of the pay remuneration committee of the securities business premises. The payroll committee shall faithfully perform the following terms of reference with the good manager's attention and submit the recommendations to the board for discussion:

1. To formulate and regularly review the policies, systems, standards and structure of directors and managers' performance evaluation and payroll remuneration.

2. Regularly assess and determine the remuneration of directors and managers.

The payroll remuneration committee shall perform the following terms of reference in accordance with the following principles:

1. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the same industry and take into account the rationality of personal performance, company performance and future risks.

2. The directors and managers should not be guided by the pursuit of salary and pay more than the risk of corporate behavior. Third, for directors and senior managers short-term performance dividends and part of the proportion of changes in pay compensation to pay

Time should take into account the characteristics of the industry and the nature of the business to be decided.

#### Article 30

The Company shall select a professional, responsible and independent visa accountant, and shall, on a regular basis,

Internal control implementation check. The Company shall review the improvement in view of any abnormality or deficiency that the accountant has discovered and disclosed in the course of the audit and the specific improvement or anti-disclosure.

The Company shall assess the independence of an appointed accountant on a regular basis (at least once a year). If the Company does not replace the accountant for seven consecutive years or is subject to any disposition or detrimental to its independence, it shall consider whether it is necessary to replace the accountant and report the result to the board of directors.

#### Article 31

In the event of a dispute between the directors or the management in charge of the

business or the occurrence of disputes with the shareholders, the Company shall assist the lawyer to assist the case.

The members of the Audit Committee or its independent directors may appoint a lawyer, accountant or other professional person on behalf of the company to check or provide advice on the necessary matters in respect of the exercise of the terms of reference, at the expense of the company

Section IV Rules of Procedure and Decision Procedures of the Board of Directors

Article 32

The board of directors of the Company shall be held at least once a quarter and shall be convened at any time when there is an emergency. The convening of the board of directors shall indicate the reasons for the convening, inform the directors 7 days ago and provide sufficient meeting information to be sent at the time of the notice. If the meeting information is insufficient, the directors have the right to request a supplement or postpone consideration after the resolution of the board of directors.

The Company shall establish the rules and regulations of the board of directors. The main contents of the proceedings, the procedures of operation, the minutes of the proceedings, the announcement and other matters that should be followed shall be handled by the board of directors of the public offering company.

Article 33

A director shall uphold the high degree of self-discipline and shall withdraw from the motion of the board of directors in the event that the directors' own interests are infringed upon the interests of the company, and shall not be allowed to participate in the discussion and vote, nor shall he act on behalf of other directors Its voting rights.

Directors should also be self-disciplined and have to support each other.

The directors' self-evasion should be prescribed in the board of directors.

Article 34

Where an independent director of the Company is provided, the independent directors shall attend the matter in writing of the provisions of Article 14ter of the Securities Exchange Law and shall not be entrusted by the non-independent directors. If an independent director is unable to attend the board of directors in person to express his objection or reservations, he shall, unless there is a valid reason, issue a written opinion in advance and set it in the minutes of the board of directors of the board of directors. The board of directors of the matter, if any of the following circumstances, in addition to the statements contained in the statement, and should be within two days from the date of the board of directors designated by the competent authority to declare the application notice:

1. Independent directors have objections or reservations and have a record or written statement.
2. The company that has set up the Audit Committee, without the approval of the Audit Committee, if more than two-thirds of all the directors have agreed.

The board of directors will inform the relevant departments of the directors of the relevant directors to attend the meeting, report the current business profile and reply to the directors to ask questions. If necessary, an accountant, solicitor or other professional may be invited to attend the meeting to assist the directors in understanding the status of

the company and to make appropriate resolutions.

#### Article 35

The members of the Board of Directors of the Company shall, in accordance with the relevant provisions, record in detail the summary of the meeting and the resolutions of the meeting, the resolutions and the results.

The minutes of the board of directors shall be signed or sealed by the chairman and record officer of the meeting and shall be sent to the directors within 20 days after the meeting.

The board of directors of the board of directors is a part of the proceedings and should be included in the company's important archives and kept in good condition during the existence of the company.

The production, distribution and preservation of proceedings are electronically made. The company shall record the proceedings of the board of directors throughout the recording or videotaping and shall keep it for at least five years and shall be kept electronically.

If the occurrence of the relevant matters concerning the board of directors before the expiry of the preceding term, the relevant recording or videotaping information shall be kept and the provisions of the preceding paragraph shall not apply.

To hold a meeting of the board of directors of the video, the meeting recording, video information for the proceedings part of the proceedings should be permanent save.

If the resolution of the board of directors violates the laws, regulations or the resolutions of the shareholders' meeting, it shall be exempted from the liability of the director who has expressed the intention to record or make a written statement.

#### Article 36

The Company shall discuss the following matters for the following matters:

1. The operation plan of the Company.
2. The annual financial report and semi-annual financial report. But the semi-annual financial report in accordance with the law does not require the accountant to check the visa, not the limit.
3. To establish or amend the internal control system in accordance with Article 14 of the Securities Exchange Act.
4. According to Article 36 of the Securities Exchange Act, one of the provisions of Article 36 of the Securities and Exchange Act shall be formulated or amended to deal with the processing of significant financial business conduct of obtaining or disposing of assets, engaging in derivative commodity transactions, loaning loans with others, endorsing or providing guarantees for others.
5. To raise, issue or private equity securities with the nature of equity.
6. Managers of the performance appraisal and payment standards.
7. Remuneration structure and system of directors.
8. The appointment and removal of financial, accounting or internal audit supervisors.
9. In accordance with Article XIV. III of the Securities Exchange Act, other matters as the law or the articles of association shall be decided by the shareholders' meeting or the matter of the board of directors or the matters specified by the competent authority.

In addition to the matters to be discussed by the board of directors, the board of directors may, in accordance with the law or the articles of association, authorize the exercise of the powers of the board of directors, the level, content or matters of the board of directors shall be specified and shall not be authorized.

#### Article 37

The Company shall express the matters reasonably placed in the resolution of the board of directors to the appropriate implementing units or personnel, and shall be subject to the implementation of the plan time and target, and shall be included in the tracking and management, and the assessment shall be carried out.

The board of directors should fully grasp the progress of implementation and report on the next meeting so that the management decisions of the board of directors can be implemented.

#### Section 5 Directors' loyalty duty and responsibility

#### Article 38

The members of the board of directors shall faithfully perform their duties and pay attention to the duties of the good management and exercise their powers with a high degree of self-discipline and prudence. The implementation of the business of the company shall, in accordance with the provisions of the law or the articles of association, Matters, should be decided by the board of directors.

The resolutions of the board of directors involved in the development and major decision-making direction of the Company shall be carefully considered and shall not affect the promotion and operation of corporate governance.

The independent directors shall perform their duties in accordance with the relevant laws and regulations and the Articles of Association of the Company to safeguard the interests of the Company and the shareholders

#### Article 39

The board of directors resolves that, in violation of the laws and regulations, the articles of association of the company, the board of directors shall, as soon as more than one year of holding the shareholders or independent directors request, handle the relevant resolutions as soon as possible.

Members of the Board of Directors who have found the Company are at risk of significant damage shall be dealt with in accordance with the preceding paragraph and immediately report to the Independent Commission members of the Audit Committee or the Audit Committee.

#### Article 40

The Company shall, in accordance with the Articles of Association, purchase the Liability Insurance for the purpose of its liability in accordance with the law in accordance with the law in the course of its term of office to reduce and distribute the risk of significant damage to the Company and its shareholders due to errors or misconduct.

#### Article 41

Members of the Board of Directors are required to continue their participation in the management of the financial, risk management, business, business, accounting, legal or corporate social responsibility aspects of the corporate governance subject matter during

the new term or term of office. And legal knowledge.

#### Chapter 4 Respects the Interests of Interests

##### Article 42

The Company shall maintain a smooth communication channel with the stakeholders of the Bank and other creditors, employees, consumers, suppliers, communities or companies and respect and safeguard the legitimate rights and interests of the Bank. When the legitimate rights and interests of the interested parties are infringed, the company should properly handle the principle of good faith.

##### Article 43

For counterparties and other creditors, sufficient information should be provided for judgment and decision making on the operation and financial condition of the company. When the legitimate rights and interests are infringed, the company should respond positively, and the courage to be responsible attitude, so that creditors have the appropriate way to get compensation.

##### Article 44

The Company shall establish a staff communication channel to encourage employees to communicate directly with the management and directors, and to reflect the views of employees on the operation and financial status of the Company or the significant decision on the interests of the employees.

##### Article 45

While maintaining the normal business development and maximizing the interests of shareholders, we should pay attention to the issues such as consumer rights, community environmental protection and public welfare, and attach importance to the company's social responsibility.

#### Chapter 5 Enhances Information Transparency

##### Section 1 to strengthen the information disclosure

##### Article 46

Information Disclosure is an important responsibility of the Company. The Company shall faithfully perform its obligations in accordance with the relevant laws and regulations and the competent authorities.

The Company shall establish an Internet reporting system for public information, designate a person to be responsible for the collection and disclosure of company information and to establish a spokesman system to ensure that information that may affect the decision-making of shareholders and interested parties can be disclosed in a timely manner.

##### Article 47

In order to improve the correctness and timeliness of major information disclosure, the Company should select a comprehensive understanding of the company's financial affairs, business or coordinate the relevant departments to provide relevant information, and can represent the company's external speakers, as the company spokesman and agent spokesman.

The Company shall have a spokesman for more than one person, and any of the spokespersons shall, if the spokesman fails to perform his / her speech, be able to act as

a separate agent, but shall confirm the order of the agent so as not to confuse the situation.

In order to implement the spokesman system, the Company shall make a concise statement and require the management and the employees to keep the financial business confidential and shall not arbitrarily distribute the information.

In case of a spokesman or an agent spokesman for the transaction, it should be open for information disclosure.

#### Article 48

The Company should use the Internet to set up the website, build the company's financial business-related information and corporate governance information to facilitate the shareholders and stakeholders such as reference, and should provide the English version of corporate governance related information. The information should be properly and immediately updated to avoid misleading information.

#### Article 49

The Company shall hold a briefing session of the legal person and shall handle it in accordance with the provisions of the competent authority and shall keep it in the form of recording or video. The financial and business information of the legal person should be entered into the designated Internet information reporting system in accordance with the provisions of the Administration and provide inquiries through the Company's website or other appropriate channels.

### Section 2 Disclosure of Corporate Governance Information

#### Article 50

The Company shall disclose relevant information on corporate governance in the following years in accordance with the relevant laws and regulations and the Administration:

1. The structure and rules of corporate governance.
2. The company's shareholding structure and shareholders' equity.
3. The structure and independence of the board of directors.
4. The duties of the board of directors and managers.
5. Composition, duties and operation of the pay remuneration committee.
6. Composition, duties and independence of the Audit Committee.
7. The annual payment of the remuneration of the directors, general manager and deputy general manager, the total amount of remuneration to the ratio of net profit after tax, the payment of payment policy, the standard and the combination, the procedure for setting the remuneration and the relevance to the business performance.
8. The directors of the training situation.
9. Rights and relationships of interested parties.
10. for the law to regulate the disclosure of information in detail the situation.
11. The operation of corporate governance and the "Rules of Practice for Corporate Governance of Listed Companies" and the differences and causes of this Code.
12. Information about other corporate governance.

The Company should look at the actual implementation of corporate governance and adopt appropriate measures to expose its specific plans and measures to improve corporate governance.

## Chapter VI Supplementary Provisions

### Article 51

The Company should always pay attention to the development of domestic and international corporate governance systems, and to review and improve the corporate governance system established by the Company to enhance the effectiveness of corporate governance.

### Article 52

This Code shall be implemented after the adoption of the Board of Directors and amended.

## POWERTECH INDUSTRIAL CO., LTD.

## Balance Sheets

December 31, 2016 and 2015

(expressed in thousands of New Taiwan dollars)

Assets		December 31, 2016		December 31, 2015		Liabilities and Stockholders' equity		December 31, 2016		December 31, 2015	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets :</b>						<b>Current liabilities :</b>					
1100	Cash and equivalents	\$ 477,660	17	268,512	10	2120	Financial liabilities at fair value through profit or loss-current	\$ -	-	8	-
1150	Notes receivable, net	6,002	-	9,294	-	2170	Account payable	25,936	1	27,949	1
1170	Accounts receivables, net	731,328	25	700,075	26	2180	Accounts payable to related parties	843,398	29	606,992	22
1200	Other receivables	30,070	1	22,101	1	2200	Other payables	82,707	3	55,562	2
1220	Current tax assets	1,390	-	2,124	-	2220	Other payables to related parties	158	-	3,843	-
130X	Inventories	146	-	-	-	2230	Current tax liabilities	11,750	-	1,393	-
1410	Prepayments	14,720	1	13,731	1	2250	Provisions-current	382	-	974	-
1476	Other financial-current	94	-	4	-	2310	Advance receipts	33,733	1	43,351	2
1479	Other current assets	-	-	1,126	-	2399	Other current liabilities	32,947	1	23,022	1
	<b>Total current assets</b>	<u>1,261,410</u>	<u>44</u>	<u>1,016,967</u>	<u>38</u>		<b>Total current liabilities</b>	<u>1,031,011</u>	<u>35</u>	<u>763,094</u>	<u>28</u>
<b>Non-current assets :</b>						<b>Non-current liabilities :</b>					
1550	Investments accounted for using equity method	1,505,704	52	1,580,755	57	2570	Deferred income tax liabilities	-	-	314	-
1600	Property, plant and equipment	119,726	4	124,998	5	2640	Accrued pension liabilities	23,529	1	27,724	1
1840	Deferred income tax assets	7,758	-	8,774	-	2645	Deposits received	369	-	369	-
1915	Prepayments for equipment	-	-	1,904	-	2650	Investments credit balance for using equity method	47,719	2	118,301	3
1920	Refundable deposits	268	-	268	-		Non-current liabilities:	71,617	3	146,708	4
	<b>Total non-current assets</b>	<u>1,633,456</u>	<u>56</u>	<u>1,716,699</u>	<u>62</u>		<b>Total liabilities</b>	<u>1,102,628</u>	<u>38</u>	<u>909,802</u>	<u>32</u>
						<b>Equity attributable to shareholders of the parent :</b>					
						3100	Common stock	1,032,244	36	1,091,164	40
						3200	Capital surplus	291,152	10	315,964	12
							Retained earnings :				
						3310	Legal reserve	299,226	10	298,290	11
						3320	Special reserve	18,643	1	18,643	1
						3350	Unappropriated retained earnings	157,242	5	39,056	1
								475,111	16	355,989	13
							Other equity :				
						3410	Financial statement translation differences for foreign operations	(6,269)	-	76,134	3
						3500	Treasury stock	-	-	(15,387)	-
							<b>Total equity</b>	<u>1,792,238</u>	<u>62</u>	<u>1,823,864</u>	<u>68</u>
	<b>Total assets</b>	<u>\$ 2,894,866</u>	<u>100</u>	<u>2,733,666</u>	<u>100</u>		<b>Total liabilities and stockholders' equity</b>	<u>\$ 2,894,866</u>	<u>100</u>	<u>2,733,666</u>	<u>100</u>

See accompanying notes to the parent company only financial reports.

(English Translation of Financial Report Originally Issued in Chinese)

POWERTECH INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2016 and 2015

(expressed in thousands of New Taiwan dollars)

		2016		2015	
		Amount	%	Amount	%
4000	Operating revenue	\$ 2,950,922	100	2,709,903	100
5000	Operating costs	2,641,662	90	2,492,604	92
	<b>Gross profit</b>	<b>309,260</b>	<b>10</b>	<b>217,299</b>	<b>8</b>
	<b>Operating expenses :</b>				
6100	Selling expenses	62,244	2	58,265	2
6200	Administrative expenses	104,188	3	95,262	4
6300	Research and development expenses	110,077	4	106,583	4
	<b>Total operating expenses</b>	<b>276,509</b>	<b>9</b>	<b>260,110</b>	<b>10</b>
	<b>Operating profit/loss</b>	<b>32,751</b>	<b>1</b>	<b>(42,811)</b>	<b>(2)</b>
	<b>Non-operating income and expenses :</b>				
7010	Other income	1,566	-	1,014	-
7020	Other gains and losses	42,557	2	56,074	2
7050	Financial costs	(3)	-	(6)	-
7060	Share of profit of subsidiaries, associates and jointventures accounted for using equity method	65,747	2	(3,219)	-
	<b>Total non-operating income and expenses</b>	<b>109,867</b>	<b>4</b>	<b>53,863</b>	<b>2</b>
	<b>Porfit before tax</b>	<b>142,618</b>	<b>5</b>	<b>11,052</b>	<b>-</b>
7950	<b>Less:tax expense</b>	<b>12,715</b>	<b>-</b>	<b>1,693</b>	<b>-</b>
	<b>Profit</b>	<b>129,903</b>	<b>5</b>	<b>9,359</b>	<b>-</b>
8300	<b>Other comprehensive income :</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit obligation	41	-	270	-
8349	Income tax relating to items that will not be classified	-	-	-	-
	<b>Subsequently to profit or loss</b>	<b>41</b>	<b>-</b>	<b>270</b>	<b>-</b>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation	(82,356)	(3)	(1,337)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method that may be reclassified to profit or loss	(47)	-	-	-
8399	Income tax relating to items that may be reclassified	-	-	-	-
	<b>Subsequently to profit or loss</b>	<b>(82,403)</b>	<b>(3)</b>	<b>(1,337)</b>	<b>-</b>

See accompanying notes to the parent company only financial reports

	<b>Other comprehensive income, net</b>	<u>(82,362)</u>	<u>(3)</u>	<u>(1,067)</u>	<u>-</u>
8500	<b>Comprehensive income</b>	<u>\$ 47,541</u>	<u>2</u>	<u>8,292</u>	
	<b>Earnings per share</b>				
9750	<b>Basic net income per share</b>	<u>\$ 1.22</u>			<u>0.08</u>
9850	<b>Diluted net income per share</b>	<u>\$ 1.21</u>			<u>0.08</u>

**See accompanying notes to the parent company only financial reports**

**POWERTECH INDUSTRIAL CO., LTD**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2016 and 2015**  
**(Expressed in Thousand of New Taiwan Dollars)**

	Common Share	Capital Surplus	Retained Earnings			Total	Financial Statement Translation Differences for Foreign Operations	Treasury Stock	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Retained Earnings				
<b>Balance at January 1, 2015</b>	\$ 1,121,164	331,318	294,155	18,643	66,929	379,727	77,471	(15,387)	1,894,293
Net income	-	-	-	-	9,359	9,359	-	-	9,359
Other comprehensive income for the year	-	-	-	-	270	270	(1,337)	-	(1,067)
Total comprehensive income for the year	-	-	-	-	9,629	9,629	(1,337)	-	8,292
Appropriation and distribution of retained earnings :									
Legal reserve appropriated	-	-	4,135	-	(4,135)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,367)	(33,367)	-	-	(33,367)
Repurchase of treasury stock	-	-	-	-	-	-	-	(45,354)	(45,354)
Retirement of treasury stock	(30,000)	(15,354)	-	-	-	-	-	45,354	-
<b>Balance at December 31, 2015</b>	<b>1,091,164</b>	<b>315,964</b>	<b>298,290</b>	<b>18,643</b>	<b>39,056</b>	<b>355,989</b>	<b>76,134</b>	<b>(15,387)</b>	<b>1,823,864</b>
Net income	-	-	-	-	129,903	129,903	-	-	129,903
Other comprehensive income for the year	-	-	-	-	41	41	(82,403)	-	(82,362)
Total comprehensive income for the year	-	-	-	-	129,944	129,944	(82,403)	-	47,541
Appropriation and distribution of retained earnings :									
Legal reserve appropriated	-	-	936	-	(936)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(10,822)	(10,822)	-	-	(10,822)
Repurchase of treasury stock	-	-	-	-	-	-	-	(68,345)	(68,345)
Retirement of treasury stock	(58,920)	(24,812)	-	-	-	-	-	83,732	-
<b>Balance at December 31, 2016</b>	<b>\$ 1,032,244</b>	<b>291,152</b>	<b>299,226</b>	<b>18,643</b>	<b>157,242</b>	<b>475,111</b>	<b>(6,269)</b>	<b>-</b>	<b>1,792,238</b>

Note 1: Directors' and supervisors' remuneration amounting to \$0 and employee bonuses amounting to \$430 were recognized in the 2016 statement of comprehensive income.

Note 2: Directors' and supervisors' remuneration amounting to \$500 and employee bonuses amounting to \$1,800 were recognized in the 2015 statement of comprehensive income.

(See accompanying notes to the consolidated financial statements)

(English Translation of Financial Report Originally Issued in Chinese)

POWERTECH INDUSTRIAL CO., LTD

Statements of Cash Flows

For the year ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	2016	2015
AAAA <b>Cash flows from operating activities :</b>		
A10000 <b>Net income before tax</b>	\$ 142,618	11,052
A20000 <b>Adjustments :</b>		
A20010 <b>Adjustments to reconcile profit and loss</b>		
A20100 Depreciation	9,757	8,629
A20300 Reversal of doubtful accounts	(1,776)	(2,420)
A20900 Interest expenses	3	6
A21200 Interest income	(1,566)	(1,014)
A22400 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(65,747)	3,219
A23900 Unrealized loss of sales	(2,464)	(3,781)
A20010 Total adjustments to reconcile profit and loss	<u>(61,793)</u>	<u>4,639</u>
A30000 <b>Changes in operating assets and liabilities :</b>		
A31000 <b>Changes in operating assets :</b>		
A31130 Notes receivable	3,292	(2,580)
A31150 Accounts receivable	(29,478)	106,054
A31180 Other receivables	(7,969)	10,912
A31200 Inventories	(146)	-
A31230 Prepayments	(989)	(827)
A31240 Other current assets	1,126	(389)
A31000 Total changes in operating assets ,net	<u>(34,164)</u>	<u>113,170</u>
A32000 <b>Net changes in operating liabilities :</b>		
A32110 Financial liabilities held for trading	(8)	8
A32150 Accounts payable	(2,013)	(2,768)
A32160 Account payable to related parties	236,406	(123,318)
A32180 Other payables	27,145	(9,149)
A32190 Other payables to related parties	(3,685)	(18,335)
A32200 Provisions	(592)	(5,478)
A32210 Advance receipts	(9,617)	30,939
A32230 Other current liabilities	9,925	(7,151)
A32240 Accrued pension liabilities	(4,154)	340
A32000 Total changes in operating liabilities,net	<u>253,407</u>	<u>(134,912)</u>
A30000 Total changes in operating assets and liabilities ,net	<u>219,243</u>	<u>(21,742)</u>
A20000 Total adjustments	<u>157,450</u>	<u>(17,103)</u>
A33000 <b>Cash provided by (used in)operating activities</b>	300,068	(6,051)
A33100 Interest received	1,476	1,091
A33300 Interest paid	(3)	(6)
A33500 Income tax paid and received	(922)	(824)
AAAA <b>Net cash provided by (used in) operating activities</b>	<u>300,619</u>	<u>(5,790)</u>
BBBB <b>Cash flows from investing activities :</b>		
B01800 Acquisition of investments accounted for using equity method	(9,723)	-
B02700 Proceeds from disposal of property,plant and equipment	(4,285)	(13,150)
B03800 Decrease in refundable deposits	-	94
B07100 Decrease in prepayments for equipment	1,704	4,463
BBBB <b>Net cash used in investing activities</b>	<u>(12,304)</u>	<u>(8,593)</u>
CCCC <b>Cash flows from financing activities :</b>		
C03000 Increase in deposits received	-	369
C04500 Cash dividends paid	(10,822)	(33,367)
C04900 Payments to acquire treasury shares	(68,345)	(45,354)
CCCC <b>Net cash provided by (used in) financing activities</b>	<u>(79,167)</u>	<u>(78,352)</u>
EEEE Increase (decrease) in cash and cash equivalents	209,148	(92,735)
E00100 Cash and cash equivalents at beginning of year	268,512	361,247
E00200 Cash and cash equivalents at end of year	<u>\$ 477,660</u>	<u>268,512</u>

(See accompanying notes to the consolidated financial statements)

(English Translation of Financial Report Originally Issued in Chinese)  
**POWERTECH INDUSTRIAL CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2016 and 2015**

**(Expressed in Thousands of New Taiwan Dollars)**

Assets	December 31, 2016		December 31, 2015			Liabilities and equity	December 31,2016		December 31, 2015	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets :</b>						<b>Current liabilities :</b>				
1100 Cash and cash equivalents	\$ 1,075,098	41	1,012,941	39	2120	Financial liabilities at fair value through profit or loss-current	\$ -	-	8	-
1150 Notes receivable,net	6,002	-	15,319	1	2170	Accounts payable	483,530	18	408,269	16
1170 Accounts receivable,net	756,252	29	712,509	28	2200	Other payables	154,148	6	137,225	5
1200 Other receivables	16,421	1	17,652	1	2230	Current tax liabilities	30,186	1	22,721	1
1220 Current tax assets	1,390	-	3,739	-	2250	Provisions-current	382	-	974	-
130X Inventories	338,229	13	322,273	13	2310	Advance receipts	62,258	3	80,127	3
1410 Prepayments	91,920	4	93,107	4	2399	Other current liabilities	68,689	3	78,464	3
1476 Other financial assets-current	276	-	598	-		<b>Total current liabilities</b>	<b>799,193</b>	<b>31</b>	<b>727,788</b>	<b>28</b>
1479 Other current assets	7,536	-	10,964	-		<b>Non-current liabilities :</b>				
<b>Total current assets</b>	<b>2,293,124</b>	<b>88</b>	<b>2,189,102</b>	<b>86</b>	2570	Deferred income tax liabilities	-	-	314	-
<b>Non-current assets :</b>					2640	Accrued pension liabilities	23,529	1	27,724	1
1550 Investments accounted for using equity method	9,470	-	-	-	2645	Deposits received	369	-	369	-
1600 Property, plant and equipment	250,356	10	345,629	13		<b>Total non-current liabilities</b>	<b>23,898</b>	<b>1</b>	<b>28,407</b>	<b>1</b>
1840 Deferred income tax assets	7,758	-	8,774	-		<b>Total liabilities</b>	<b>823,091</b>	<b>32</b>	<b>756,195</b>	<b>29</b>
1915 Prepayments for equipment	50,622	2	32,761	1		<b>Equity attributable to shareholders of the parent :</b>				
1920 Refundable deposits	879	-	675	-	3100	Common stock	1,032,244	39	1,091,164	42
1990 Other non-current assets	3,120	-	3,118	-	3200	Capital surplus	291,152	11	315,964	12
<b>Total non-current assets</b>	<b>322,205</b>	<b>12</b>	<b>390,957</b>	<b>14</b>		Retained earnings :				
					3310	Legal reserve	299,226	11	298,290	12
					3320	Special reserve	18,643	1	18,643	1
					3350	Unappropriated retained earnings	157,242	6	39,056	2
							475,111	18	355,989	15
						Other equity :				
					3410	Financial statement translation differences for foreign operations	(6,269)	-	76,134	3
					3500	Treasury stock	-	-	(15,387)	(1)
						<b>Total equity</b>	<b>1,792,238</b>	<b>68</b>	<b>1,823,864</b>	<b>71</b>
<b>Total assets</b>	<b>\$ 2,615,329</b>	<b>100</b>	<b>2,580,059</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 2,615,329</b>	<b>100</b>	<b>2,580,059</b>	<b>100</b>

(See accompanying notes to the consolidated financial statements)

(English Translation of Financial Report Originally Issued in Chinese)

**POWERTECH INDUSTRIAL CO.,LTD.AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31,2016 and 2015**

**(Expressed in Thousands of New Taiwan Dollars)**

		2016		2015	
		Amount	%	Amount	%
4000	<b>Operating revenue</b>	\$ 2,893,975	100	2,696,873	100
5000	<b>Operating costs</b>	2,344,512	81	2,243,015	83
	<b>Gross profit</b>	549,463	19	453,858	17
	<b>Operating expenses :</b>				
6100	Selling expenses	108,456	4	111,509	4
6200	Administrative expenses	179,088	6	176,885	7
6300	Research and development expenses	158,092	5	163,499	6
	<b>Total operating expenses</b>	445,636	15	451,893	17
	<b>Operating profit</b>	103,827	4	1,965	-
	<b>Non-operating income and expenses :</b>				
7010	Other income	7,357	-	8,713	-
7020	Other gains and losses	34,096	1	2,863	-
7050	Finance costs	(3)	-	(6)	-
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(206)	-	-	-
	<b>Total non-operating income and expenses</b>	41,244	1	11,570	-
	<b>Profit before tax</b>	145,071	5	13,535	-
7950	<b>Less : tax expense</b>	15,168	1	4,176	-
	<b>Profit</b>	129,903	4	9,359	-
8300	<b>Other comprehensive income :</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit obligation	41	-	270	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		41	-	270	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation	(82,356)	(3)	(1,337)	-
8370	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method that may not be reclassified subsequently to profit or loss	(47)	-	-	-

**(See accompanying notes to the parent company only financial reports)**

8399	Income tax relating to items that may be reclassified	-	-	-	-
	<b>Subsequently to profit or loss</b>	<u>(82,403)</u>	<u>(3)</u>	<u>(1,337)</u>	<u>-</u>
	<b>Other comprehensive income, net</b>	<u>(82,362)</u>	<u>(3)</u>	<u>(1,067)</u>	<u>-</u>
8500	<b>Comprehensive income</b>	<u><b>\$ 47,541</b></u>	<u><b>1</b></u>	<u><b>8,292</b></u>	
9750	<b>Basic net income per share</b>	<u><b>\$ 1.22</b></u>			<u><b>0.08</b></u>
9850	<b>Diluted net income per share</b>	<u><b>\$ 1.21</b></u>			<u><b>0.08</b></u>

(See accompanying notes to the parent company only financial reports)

(English Translation of Financial Report Originally Issued in Chinese)

**POWERTECH INDUSTRIAL CO.,LTD.AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2016 and 2015**

**(Expressed in Thousands of New Taiwan Dollars)**

**Unit: in thousand NT**

**Equity Attributable to Shareholders of the parent**

	<b>Capital Common Share</b>	<b>Capital Surplus</b>	<b>Legal Reserve</b>	<b>Retained Special Reserve</b>	<b>Earnings Unappropri- d Retained Earnings</b>	<b>Total</b>	<b>Financial Statement Translation Differences for Foreign Operations</b>	<b>Treasury Stock</b>	<b>Total Equity</b>
<b>Balance at January 1,2015</b>	\$ 1,121,164	331,318	294,155	18,643	66,929	379,727	77,471	(15,387)	1,894,293
Net income	-	-	-	-	9,359	9,359	-	-	9,359
Other comprehensive income for the year	-	-	-	-	270	270	(1,337)	-	(1,067)
Total comprehensive income for the year	-	-	-	-	9,629	9,629	(1,337)	-	8,292
Appropriation and distribution of retained earnings :									
Legal reserve	-	-	4,135	-	(4,135)	-	-	-	-
Cash Dividends	-	-	-	-	(33,367)	(33,367)	-	-	(33,367)
Repurchase of treasury stock	-	-	-	-	-	-	-	(45,354)	(45,354)
Retirement of treasury stock	(30,000)	(15,354)	-	-	-	-	-	45,354	-
<b>Balance at December 31,2015</b>	1,091,164	315,964	298,290	18,643	39,056	355,989	76,134	(15,387)	1,823,864
Net income	-	-	-	-	129,903	129,903	-	-	129,903
Other comprehensive income for the year	-	-	-	-	41	41	(82,403)	-	(82,362)
Total comprehensive income for the year	-	-	-	-	129,944	129,944	(82,403)	-	47,541
Appropriation and distribution of retained earnings :									
Legal reserve	-	-	936	-	(936)	-	-	-	-
Special reserve	-	-	-	-	(10,822)	(10,822)	-	-	(10,822)
Repurchase of treasury stock	-	-	-	-	-	-	-	(68,345)	(68,345)
Retirement of treasury stock	(58,920)	(24,812)	-	-	-	-	-	83,732	-
<b>Balance at December 31,2016</b>	\$ 1,032,244	291,152	299,226	18,643	157,242	475,111	(6,269)	-	1,792,238

(See accompanying notes to the consolidated financial statements)

(English Translation of Financial Report Originally Issued in Chinese)

POWERTECH INDUSTRIAL CO.,LTD.AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31,2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	2016	2015
AAAA <b>Cash flows from operating activities :</b>		
A10000 <b>Net income before tax</b>	\$ 145,071	13,535
A20000 <b>Adjustments :</b>		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation	85,358	93,718
A20200 Amortization	3,286	2,800
A20300 Reversal of doubtful accounts	(1,958)	(2,238)
A20900 Interest expenses	3	6
A21200 Interest income	(7,357)	(8,713)
A22300 Share-based payments	206	-
A22500 Loss(gain)on disposal of property,plant and equipment	576	(433)
A20010 Total adjustments to reconcile profit and loss	<u>80,114</u>	<u>85,140</u>
A30000 Changes in operating assets and liabilities :		
A31000 Net changes in operating assets :		
A31130 Notes receivable	9,317	(8,605)
A31150 Accounts receivable	(41,785)	98,968
A31180 Other receivalbes	1,231	4,894
A31200 Inventories	(15,956)	45,768
A31230 Prepayments	1,187	14,927
A31240 Other current assets	3,427	1,880
A31000 Total changes in operating assets ,net	<u>(42,579)</u>	<u>157,832</u>
A32000 Net changes in operating liabilities :		
A32110 Financial liabilities held for trading	(8)	(3,713)
A32150 Accounts payable	75,261	(140,882)
A32180 Other payables	16,923	(20,544)
A32200 Provisions	(592)	(5,478)
A32210 Advance receipts	(17,869)	(4,815)
A32230 Other current liabilities	(9,775)	52,085
A32240 Accrued pension liabilities	(4,154)	340
A32000 Total changes in operating liabilities, net	<u>59,786</u>	<u>(123,007)</u>
A30000 Total changes in operating liabilities, net	<u>17,207</u>	<u>34,825</u>
A20000 Total adjustments	<u>97,321</u>	<u>119,965</u>
A33000 Cash provided by (used in) operating activities	242,392	133,500
A33100 Interest received	7,679	8,713
A33300 Interest paid	(3)	(6)
A33500 Income tax paid and received	(3,152)	(1,628)
AAAA <b>Net cash provided by (used in) operating activities</b>	<u>246,916</u>	<u>140,579</u>
BBBB <b>Cash flows from investing activities :</b>		
B01800 Acquisition of investments accounted for using equity method	(9,723)	-
B02700 Acquisition of property,plant and equipment	(10,414)	(96,096)
B02800 Proceeds from disposal of property,plantand equipment	6,556	11,315
B03800 Decrease (increase)in refundable deposits	(204)	(282)
B06700 Increase in other financial assets	(3,012)	(3,813)
B07100 Increase in prepayments for equipment	(18,061)	(992)
BBBB <b>Net cash used in investing activities</b>	<u>(34,858)</u>	<u>(89,868)</u>
CCCC <b>Cash flow from financing activities :</b>		
C03000 Increase in deposits received	-	369
C04500 Cash dividends paid	(10,822)	(33,367)
C04900 Payments to acquire treasury shares	(68,345)	(45,354)
CCCC <b>Net cash provided by (used in) financing activities</b>	<u>(79,167)</u>	<u>(78,352)</u>
DDDD Effect of exchange rate changes on cash and cash equivalents	(70,734)	38,007
EEEE Increase(decrease) in cash and cash equivalents	62,157	10,366
E00100 Cash and cash equivalents at beginning of year	1,012,941	1,002,575
E00200 Cash and cash equivalents at end of year	<u>\$ 1,075,098</u>	<u>1,012,941</u>

(See accompanying notes to the consolidated financial statements)

## **Attachment 7**

# **Rules and Procedures of Shareholders Meeting of Powertech Industrial Co.,Ltd.**

### Article 1

In order to establish a good shareholder management system of the Company, improve the supervision function and strengthen the management function, the rules shall be formulated in accordance with Article 5 of the Rules of Practice for Corporate Governance of OTC.

### Article 2

The rules of procedure of the shareholders' meeting of the Company shall, except as otherwise provided in the laws or regulations,

### Article 3 (Notice of convening and meeting of shareholders)

The shareholders of the Company are convened by the board of directors in addition to the provisions of the Act.

The Company shall, within 15 days prior to the meeting of the shareholders 'meeting or the fifteenth day of the shareholders' meeting, hold the notice of the meeting of the shareholders 'meeting, the power of attorney, the relevant recognition case, the discussion case, the appointment or the appointment of directors and supervisors' matters The case and the information are produced into an electronic file and sent to the public information observatory. And send the electronic document to the public information station at the meeting of the shareholders 'meeting or the fifteenth day of the shareholders' meeting. The shareholders 'meeting will be available to the shareholders of the Company and the professional agency of the Company, and shall be distributed to the shareholders' meeting at the meeting.

The notice and the notice shall indicate the reasons for the convening; The notice by the relative consent of those who can be electronic way.

Election or dismissal of directors, supervisors, alteration of the articles of association, dissolution of company, merger, division or division of Article 18 of the Company Law, Article 26 of the Securities Exchange Law, Article 43-6 The issue of the issuance of the Articles of Arbitration and Issuance of the Articles of Arbitration Article 56 and Article 60 bis shall be enumerated in the convening of the matter and shall not be made by provisional motion.

Shareholders who hold more than one percent of the total number of issued shares will be able to submit a written notice to the Company in writing to the Company. But to a limit, more than one proposal, are not included in the motion. The other shareholders of the proposed amendment to the company law Article 172 of the first four paragraphs of the situation, the board of directors is not a motion.

The Company shall notify the shareholders of the proposal, accept the place and the admissibility period before the suspension of the stock transfer before the shareholders' meeting is convened; the acceptance period shall not be less than 10 days.

The shareholders of the proposal should be present at the shareholders' meeting and participate in the discussion of the motion.

The Company shall notify the Proposal Shareholders of the results of the processing before the notice of convening the Shareholders' Meeting and set out the notice of meeting in the meeting. In the case of a shareholder proposal not included in the proposal, the board of directors shall state the reasons for not being included in the shareholders' meeting.

### Article 4

Shareholders are required by each shareholder meeting, issued by the Company issued a power of attorney, set out the scope of authorization, entrusted agents to attend the shareholders' meeting.

A shareholder to issue a power of attorney, and to entrust a person limit, should be five days before the shareholders meeting to serve the Company, the power of attorney is repeated, the first served as the subject. But the statement before the revocation of the former, not the limit.

Upon the delivery of the power of attorney to the Company, the shareholders who wish to attend the shareholders' meeting or wish to exercise their voting in writing or electronically shall, before the meeting of the shareholders' meeting two days ago, notify the Company in writing of the cancellation of the entrustment; The voting rights of the person to attend the exercise shall prevail.

Article 5 (The principle of convening the place and time of the shareholders' meeting)

The place where the shareholders' meeting will be held shall be held at the place where the Company is located or facilitated by the shareholders and suitable for the shareholders' meeting

, The meeting must not start at 9 am or later than 3 pm,

Point and time, should fully consider the views of independent directors.

Article 6 (Preparation of documents and other documents)

The Company shall indicate the date of receipt of the shareholders, the place of the report, and other matters to be noted in the notice of the meeting.

The date of acceptance of the shareholders of the preceding paragraph shall be at least thirty minutes before the start of the meeting. The reporting office shall be clearly marked and appropriate personnel shall be appointed.

(Hereinafter referred to as the shareholders) shall attend the shareholders' meeting by attendance card, attend the attendance card or other attendance documents, and the Company shall not provide any other supporting documents for the attendance documents of the shareholders' attendance; Is to seek the power of attorney and should carry proof of identity documents to prepare for verification.

The Company shall set up a signature list for the attendance of the shareholders to attend or sign the attendance card by the attendance party.

The Company shall deliver the minutes of the proceedings, annual reports, attendance cards, speeches, votes and other meeting materials to the shareholders present at the shareholders' meeting. Electoral directors and supervisors shall elect to vote.

When the government or legal person is a shareholder, the representative of the shareholders' meeting is not limited to one person. When a legal person is entrusted to attend the shareholders' meeting, only one representative is present.

Article 7 (Chairman of the Shareholders' Meeting, attendance)

If the chairman of the board of directors is appointed by the chairman of the board of directors, the chairman of the board of directors shall be represented by the chairman of the board of directors, or if the chairman of the board of directors fails to exercise his or her duties, he shall be represented by the deputy chairman or vice chairman or vice chairman of the board of directors. The chairman of the board of directors appointed by the chairman of the agent; its no executive director, designated director of a proxy, the chairman did not specify the agent, by the executive director or director of each other.

The Chairman of the preceding paragraph is a standing director or director of the company, who has served for more than six months and has been informed by the managing director or director of the company's financial business. If the chairman is a representative of a director of a legal person, The chairman of the board of directors convened by the board of directors, the chairman of the board of directors shall preside over, and shall have more than half of the directors of the board of directors, at least one of the supervisors in person, and at least one representative of the members of the functional committee shall attend the meeting and record the attendance record.

If the chairman of the board of directors is convened by the convenor of the other convenees, the chairman of the meeting shall be held by the convenor, and if the convenor has more than two persons, the Company may appoint a appointed lawyer, accountant or related person to attend the shareholders' meeting.

Article 8 (Stocks of the shareholders' meeting proceedings recording or recording of securities)

The Company shall report the shareholders to the process of accepting the report of the shareholders, proceeding with the meeting and the continuous and continuous recording and recording of the voting process.

The audio and video information should be kept for at least one year. But shall be filed by the shareholder in accordance with Article 189 of the Company Law and shall be kept until the end of the proceedings.

#### Article 9

The attendance of the shareholders' meeting shall be based on the shares. The number of shares to be attended by the number of shares in the written or electronic manner, in accordance with the signature book or the receipt of the card, plus the number of shares to be exercised in writing or electronically. If the chairman of the meeting has not been represented by a majority of the total number of shares to be issued, the chairman may declare a postponement of the meeting, with a delay of two times, and the delay shall not exceed one hour. In the event that more than one third of the total number of issued shares is present, the shareholders will be announced by the chairman.

In the event that more than one third of the total number of issued shares is present, the preceding paragraph shall be deemed to be a false resolution in accordance with Paragraph 1 of Article 175 of the Company Law and shall inform the Shareholders will be convened within one month.

If the number of shares to be represented is less than half of the total number of issued shares before the meeting is not completed, the chairman shall resubmit the vote of the shareholders' meeting in accordance with the provisions of Article 174 of the Company Law.

#### Article 10 (motion discussion)

If the shareholders are convened by the board of directors, the agenda shall be determined by the board of directors. The meeting shall be conducted on the basis of the scheduled agenda and shall not be changed by the shareholders' meeting.

If the shareholders are convened by the convenor other than the board of directors, the provisions of the preceding paragraph shall be used.

The Chairman shall, in accordance with the rules of procedure, adjudicate the meeting and the other members of the Board shall promptly assist the shareholders in the proceedings in accordance with the law, so that the chairman of the board of directors may, A total of more than half of the shareholders vote to vote for the election of a person as chairman, to continue the meeting.

The Chairman shall give a full explanation and discussion of the proposed amendment or provisional motion in respect of the motion and the shareholders, and he shall declare that the discussion shall be adjourned and put to the vote when he reaches the point of voting.

#### Article 11 (Shareholders)

Before attending a statement, the applicant must first fill in the statement to indicate the purpose of the statement, the number of shareholders (or attendance card number) and the name, by the chairman of the order.

Attendance of the shareholders only to speak but not speakers, as not speak. The content of the statement and the statement of the statement does not match, to speak content shall prevail.

The chairman of the same motion shall not speak more than twice by the chairman and shall not exceed five minutes at all, but the chairman shall cease to speak if the shareholder speaks violates the requirement or goes beyond the scope of the question.

At the time of the presentation of the shareholders, the other shareholders shall not speak in any way except with the consent of the chairman and the shareholders of the statement, and the chairman of the violation shall cease.

Where a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, the same motion shall only be made by one person.

After the presentation of the shareholders, the chairman has personally or designated the relevant personnel to reply.

#### Article 12 (Calculation of voting shares, avoidance system)

The vote of the shareholders' meeting shall be based on the shares.

The resolution of the shareholders' meeting shall not be the total number of shares of the non - voting

shareholders.

Shareholders are not allowed to vote for the matters of the meeting and have their own interests that are harmful to the interests of the Company and shall not act on behalf of his shareholders to exercise their voting rights.

The number of shares not allowed to be exercised in the preceding paragraph shall not be counted as the number of voting rights of the shareholders present.

The voting rights of the agents shall not exceed 3% of the total number of voting rights of the issued shares when the person is entrusted by two or more shareholders at the same time, in addition to the trust business or the stock agency approved by the securities regulatory authority, Not calculated.

#### Article 13

Shareholders have a voting right in each share, but are not limited or are not limited to those listed in Paragraph 2 of Article 179 of the Company Law.

When the Company holds a shareholders' meeting, it may exercise its written or electronic means to exercise its voting rights. When exercising its right to vote in writing or electronically, the method of exercise shall be set out in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present at the shareholders' meeting in person. However, the amendments to the provisional motion and the original motion of the shareholders' meeting shall be deemed to have been abstained. Therefore, the Company should refrain from making provisional amendments and amendments to the original motion.

Any person who expresses the right to vote in writing or electronically in the preceding paragraph shall mean that he shall serve the company two days before the meeting of the shareholders' meeting, and the means may be repeated, whichever is the first. But the statement to revoke the former meaning of those who are not in this limit.

In the event of a written or electronic exercise of the voting rights in writing or in electronic form, the person who wishes to attend the meeting in person shall, in the same way as the exercise of the voting rights, cancel the exercise of the voting rights in the preceding paragraph at the meeting of the shareholders' meeting two days ago; the overdue revocation shall be exercised in writing or electronically. The voting rights shall prevail. In the event that the voting rights are exercised in writing or electronically and the proxy is entrusted by the proxy to attend the shareholders' meeting, the voting rights entrusted to the agent shall prevail.

The voting of the proposal shall be subject to the approval of the majority of the shareholders' voting rights, except as otherwise provided in the Company Law and the Articles of Association of the Company. , The shareholders shall vote on a case-by-case basis on a case-by-case basis by the chairman or his designated person, and the shareholders' consent, objection and abstention shall be entered into the public information observing station on the day after the shareholders' meeting.

In the case of an amendment or an alternative to the same motion, the chairman shall, in the same order as the original decision. If the other case has been passed, the other motions shall be deemed to have been vetoed.

The bill of directors of the motion and the counting of votes, designated by the chairman, but the prisoners should have a shareholder status.

The voting operation of the shareholders' meeting or the election bill shall be made public at the meeting place of the shareholders, and the result of the voting shall be announced on the spot after the completion of the counting of votes, including the weight of the statistics and made a record.

#### Article 14 (Electoral matters)

Shareholders will have the election of directors and supervisors, should be in accordance with the relevant rules and regulations set by the Company, and should announce the results of the election, including the elected directors, supervisors and the number of elected powers.

The electoral votes for the preceding election shall be sealed and signed by the scrutineer and kept for at least one year. But shall be filed by the shareholder in accordance with Article 189 of the Company Law and shall be kept until the end of the proceedings.

#### Article 15

The meeting of the shareholders' meeting shall be made by the chairman, signed or sealed by the chairman and distributed to the shareholders within 20 days after the meeting. The production and distribution of proceedings are electronically made.

The distribution of the former Proceedings is made by the Company to enter the public information observatory.

The minutes of the proceedings shall, in accordance with the terms, the month, the day, the place, the name of the chairman, the method of resolution, the merits of the proceedings and the results of the proceedings, shall be kept permanently during the existence of the Company.

#### Article 16 (an announcement)

The number of shares to be solicited by the solicitors and the number of shares held by the solicitors, the Company shall hold the date of the meeting

, According to the provisions of the format compiled by the table, in the shareholders of the venue for a clear disclosure.

In the case of a resolution of the shareholders' meeting, the Company shall transmit the contents to the public information observing station within the prescribed time, if there is a significant information provided by the Taiwan Stock Exchange Co.,

#### Article 17 (Maintenance of the Order)

The staff member of the shareholders' meeting shall wear a certificate or armband.

The chairman has commanded the captain or security officer to assist in maintaining the order of the venue. When the captain or the security officer is present to assist in maintaining the order, a "picker" armband or identification should be worn.

If the shareholders of the meeting are equipped with loudspeakers, the chairman shall stop the meeting when the shareholders are not present at the equipment arranged by the Company.

Shareholders who violate the rules of procedure are not subject to the corrective action of the chairman and prevent the meeting from being stopped. The chairman may direct the captain or the security officer to leave the venue.

#### Article 18 (rest, renewal)

At the time of the meeting, the President may, at his discretion, declare a rest and irresistible circumstances, and the President shall order that the meeting be suspended and, as the case may be, declare the time for the meeting.

The agenda of the shareholders' meeting Before the meeting (including the provisional motion) is not terminated, the venue of the meeting will not be able to continue to use, and the shareholders' meeting will continue to meet.

Shareholders will be in accordance with the provisions of Article 182 of the Company Law, the resolution within five days of extension or renewal of the meeting.

#### Article 19

These Rules shall be implemented after the adoption of the Shareholders' Meeting.

## **Appendix 1**

# Article of Incorporation of Powertech Industrial Co.,Ltd

## **CHAPTER 1 GENERAL PROVISIONS**

### Article 1

The Company is organized under the Company Law and shall be named POWERTECH INDUSTRIAL CO., LTD.

### Article 2

The scope of business of the Company is as follows:

1. CC01020 wire and cable manufacturing industry
2. CC01030 electrical and audio-visual electronics manufacturing industry
3. CC01110 computer and its peripheral equipment manufacturing industry
4. CC01060 wired communications machinery and equipment manufacturing industry
5. CC01070 wireless communications machinery and equipment manufacturing industry
6. CC01080 electronic components manufacturing industry
7. CC01990 other electrical and electronic machinery and equipment manufacturing industry
8. F401010 international trade industry
9. F401021 telecommunications control RF equipment input industry
10. ZZ99999 In addition to the permitted business, the business is not prohibited or restricted business

### Article 3

The Company shall set up a branch office in Zhonghe District of Xinbei City and, if necessary, set up branch offices at home and abroad upon the resolution of the Board of Directors.

### Article 4

The announcement method of the Company shall be handled in accordance with the provisions of Article 28 of the Company Law.

### Article 4-1

The Company shall treat the Company as a result of the need for outward investment and shall be determined by the board of directors of the Company as a limited liability shareholder, and the total amount of its investment shall not be limited by the amount of the investment amount stipulated in Article 13 of the Company Law.

### Article 4-2

The Company is required to obtain external guarantees in respect of its business.

## **CHAPTER 2 SHARES**

### Article 5

The capital of the Company is set at NT \$ 100 million, divided into one hundred million Wujian shares, all of which are ordinary shares, and NTD1 per share, which is not issued shares, and the board of directors is authorized to issue the shares.

The total amount of capital in the previous paragraph, to retain one thousand Wu Bai million shares for employee stock certificate, with equity corporate bonds, special shares issued by the exercise of stock options.

In the event that the Company issues the employee stock option certificate at a price lower than the issue price of the issue date, it shall be issued after the special resolution of the shareholders' meeting.

### Article 5-1

The Company shall repurchase the shares of the Company in accordance with Paragraph 1 of Paragraph 1 of Article 28 bis of the Securities Exchange Act and shall, after the transfer of

the average price of the actual purchase shares and the employee, The shareholders will attend the majority of the shareholders who have issued the total number of shares and attend the shareholders' voting right by more than two thirds of the voting rights.

#### Article 6

The shares of the Company are generally named after the signature or seal of the three directors and issued by the competent authority or their designated issuer's visa. After the Company's public offering of shares, it is exempt from printing stock. The shares to be issued in the preceding paragraph shall be registered or kept by the centralized custodian of the securities and shall be subject to the request of the centralized securities custody institution to merge the denomination of the denominated securities.

#### Article 7

The registration of shares shall not be made within five days before the shareholders' meeting within the first 60 days of the shareholders' meeting, within 30 days before the shareholders' temporary meeting, or within five days before the date on which the company decides to distribute dividends and dividends or other interests.

#### Article 7-1

The handling of the shares of the Company shall be handled by the "Guidelines on Shareholding of Public Offering Companies" promulgated by the Competent Authority.

### CHAPTER 3 SHAREHOLDERS' MEETING

#### Article 8

The ordinary meeting of the shareholders' meeting and the temporary meeting shall be convened at least once every year and shall be held within six months after the end of each accounting year. Will be convened in accordance with the relevant laws and regulations when necessary.

The convening of the shareholders' meeting shall be convened 30 days before the meeting. The convening of the shareholders' temporary meeting shall notify the shareholders in writing or electronically on the date, place and proposal of the meeting 15 days before the meeting. But for less than a thousand shareholders, can be announced by way of it.

#### Article 8-1

Shareholders who hold more than one percent of the shares of the Company at the time of the ordinary meeting of the shareholders are required to submit the shareholders' general meeting in writing to the Company. However, if one of the proposals is more than one proposal, they shall not be included in the proposal. Operations are in accordance with the company law and related regulations.

#### Article 9

When a shareholder fails to attend the shareholders' meeting for any reason, he / she shall be entrusted with the entrusted agent of the power of attorney issued by the company. In accordance with the provisions of Article 177 of the Company Law, the shareholders of the Company shall, in accordance with the provisions of the Rules on the Use of Power of Attorney in the Shareholders' Meeting issued by the Competent Authority.

#### Article 10

The shareholders of the Company shall have a voting right in each share, except that the Act otherwise provides that the shares have no voting right.

#### Article 11

The resolution of the shareholders' meeting shall, except as otherwise provided in the relevant laws and regulations, represent the shareholders who represent more than half of the total number of shares to be issued in person or by proxy in order to attend the majority of the voting rights of the shareholders. At the time of voting, if the chairman is consulted without objection, it shall be deemed to have passed the same effect as the vote. But the following circumstances shall have the right to vote shall have the total number of issued shares of two-thirds of the shareholders of the person or agent to attend, to attend the shareholders of the voting right of more than half of the agreement.

1. Purchase or merge other enterprises at home and abroad.
2. Dissolution or liquidation, division.

#### Article 11-1

If the Company revokes the public offering in future, it shall be referred to the resolution of the shareholders' meeting and shall not change the provisions during the listing period.

#### Article 12

The shareholders' meeting shall be convened by the board of directors and shall be the chairman of the board of directors. When the chairman of the board of directors is absent, the chairman of the board of directors shall appoint one of the directors to act as a proxy, and if the other party is not designated, the chairman shall be elected by the director; The chairman of the convenor of the convenor, the convenor of more than two should be pushed each other as a person.

#### Article 13

The resolution of the shareholders' meeting shall be made by the chairman of the shareholders' meeting or sealed by the chairman of the shareholders' meeting and shall be circulated in writing or electronically to the shareholders within 20 days after the meeting. The distribution of the aforesaid proceedings shall be Notice of the way.

## CHAPTER 4 DIRECTORS AND SUPERVISORS

#### Article 14

The Company has five to nine directors and three supervisors. The independent directors shall not be less than two, and shall not be less than one fifth of the directors' seats. By the shareholders of the ability to have the ability of the person elected for a term of three years, even reelected. The total number of directors and supervisors of its total holdings, according to the provisions of the securities regulatory authorities.

#### Article 14-1

Missing one of the directors or supervisors amounted to one-third of all dismissed, the Board of Directors shall convene an extraordinary session of shareholders within 60 days of the election, his term of office in order to make up for the duration of their former limit.

#### Article 14-2

The election of independent directors of the Company shall be based on the candidate nomination system. The provisions on the nomination system are governed by the provisions of Article 192 of the Company Law.

#### Article 15

The board of directors of the board of directors shall be represented by more than two-thirds of the directors and one or more of the directors attending the meeting. If the chairman of the board of directors fails to exercise his or her duties, the agent shall handle the matter in accordance with the provisions of Article 208 of the Company Law.

#### Article 16

The board of directors shall be presided over by the chairman of the board of directors of the Company. If the chairman of the board of directors fails to exercise his or her duties, the agent shall handle the matter in accordance with the provisions of Article 208 of the Company Law.

#### Article 16-1

The board of directors shall convene once a quarter and shall convene the matter to inform the directors and supervisors seven days ago; but there shall be summoned at any time in case of emergency. The board of directors convenes a notice in writing, fax, e-mail (E-mail) and so on.

#### Article 17

The directors may, in writing, authorize representatives of other directors to attend the board of directors, but shall issue a power of attorney every time, indicating the scope of authorization 1 and subject to the entrustment of one person.

#### Article 18

The resolutions of the board of directors shall, except as otherwise provided in the Company

Law, be attended by more than half of the directors and attend the majority of the directors' consent.

#### Article 19

The proceedings of the board of directors shall be made by the chairman of the meeting or sealed by the chairman of the meeting and shall be distributed to the directors within 20 days after the meeting.

#### Article 19-1

The matters relating to the board of directors of the Company and other related matters shall be handled in accordance with the Rules of Procedure of the Board of Directors of the Company.

#### Article 20

The remuneration of the directors and supervisors shall authorize the board of directors to pay the value of the operation and the contribution of the Company in accordance with the general level of the same industry. The Company shall, within the term of office of the directors and supervisors, purchase liability insurance in respect of its business scope, liability in accordance with the law.

### CHAPTER 5 MANAGERS

#### Article 21

The Company shall set up a manager whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

### CHAPTER 6 ACCOUNTING

#### Article 22

At the end of each accounting year, the board of directors shall prepare the following list and submit the inspection to the supervisor at the meeting of the shareholders' meeting 30 days before submitting the request to the shareholders for approval.

1. The business report
2. The financial statements
3. The distribution of surplus or loss of the motion.

#### Article 23

In the case of profit for the year (the so-called profit shall be deducted from the distribution of the employee's remuneration and the benefit of the supervisor), 2%~15% shall be paid for the employees and not more than 3% for the directors of remuneration. However, if the Company has accumulated losses (including the adjustment of undistributed surplus amount), the amount should be retained in advance.

The employees of the preceding paragraph may be paid in the form of shares or cash, and the object of payment shall include the employees of the subsidiary who meet the conditions set by the board of directors. The preceding directors are only allowed to do so.

The first two items should be resolved by the board of directors and report to the shareholders' meeting.

#### Article 23-1

In the event of the after-tax net profit of the Company for the current year, the accumulative loss shall be made up (including the adjustment of the undistributed surplus amount), and 10% shall be allocated as the legal surplus reserve; but the legal surplus reserve The cumulative amount of the Company has paid the total amount of paid-in capital. To allocate or rotate the special surplus reserve in accordance with the law or the competent authority. The subsequent earnings, together with the unallocated earnings at the beginning of the period (including the adjustment of the undistributed surplus amount), the shareholders' proposed dividend distribution is proposed by the board of directors.

The dividend policy of the Company mainly considers the future development of the Company and the demand for funds. For the purpose of future financial needs and long-term

financial planning, the cash dividend shall not be less than 20% of the total dividend.

## CHAPTER 7 SUPPLEMENTAL PROVISIONS

### Article 24

If the articles of association do not, the relevant laws and regulations shall be handled in accordance with the provisions of the Company Law and the relevant laws and regulations. The Articles of Incorporation or amendments are made after approval by the Competent Authority.

### Article 25

These Articles of Incorporation were prescribed by the promoters on November 9, 2000.

The 1<sup>st</sup> amendment was made on February 4, 2002;

The 2<sup>nd</sup> amendment was made on October 25, 2002;

The 3<sup>rd</sup> amendment was made on December 5, 2002;

The 4<sup>th</sup> amendment was made on June 20, 2003;

The 5<sup>th</sup> amendment was made on June 18, 2004;

The 6<sup>th</sup> amendment was made on June 23, 2005;

The 7<sup>th</sup> amendment was made on June 23, 2005;

The 8<sup>th</sup> amendment was made on June 14, 2006;

The 9<sup>th</sup> amendment was made on June 15, 2007;

The 10<sup>th</sup> amendment was made on June 13, 2008;

The 11<sup>th</sup> amendment was made on May 26, 2010;

The 12<sup>th</sup> amendment was made on May 30, 2011;

The 13<sup>th</sup> amendment was made on June 18, 2012;

The 14<sup>th</sup> amendment was made on June 28, 2013;

The 15<sup>th</sup> amendment was made on June 7, 2016;

POWERTECH INDUSTRIAL CO.,LTD.

CHAIRMAN& PRESIDENT

JONIE CHOU

## **APPENDIX 2**

### **Rules and Procedures of Shareholders Meeting of POWERTECH INDUSTRIAL CO.,LTD.**

Passed by the General Shareholders Meeting on June 14, 2006

1. In addition to the provisions of the laws and regulations of the Company, the shareholders' meeting of the Company shall be handled in accordance with these Standards.
2. The shareholders referred to in these Rules shall mean the representatives or agents entrusted by the shareholders themselves and the shareholders.
3. The Company shall convene a shareholders' meeting and may exercise its voting rights in writing or electronically; its exercise shall be set out in the notice convened by the shareholders' meeting. The company has to set up a signature card for attendance by the shareholders, or by the shareholders to pay the attendance card to sign on behalf of the card. The number of shares to be attended by the attendance card or the attendance card. In addition to the provisions of Article 179 of the Company, the attendance and voting of the shareholders' meeting shall be based on the shares.
4. The place where the shareholders' meeting will be held shall be at the place where the Company is located or facilitated by the shareholders and suitable for the convening of the shareholders' meeting; the meeting shall not be earlier than 9 am or later than 3 pm.
5. If the chairman of the board of directors is appointed by the chairman of the board of directors, the chairman of the board of directors shall be represented by the chairman of the board of directors, or if the chairman of the board of directors fails to exercise his or her duties, he shall be represented by the deputy chairman or vice chairman or vice chairman of the board of directors. The chairman of the board of directors appointed by the chairman of the agent; its no executive director, designated director of a proxy, the chairman did not specify the agent, by the executive director or director of each other.  
If the shareholders are convened by the convenor other than the board of directors, the chairman of the board of directors shall be appointed by the convenor.
6. After the meeting has been adjourned, the shareholders shall not continue to hold the meeting at the original site or another place. However, if the chairman violates the rules of procedure, he announces that the meeting will be elected by a majority of the shareholders to attend the meeting.
7. The company shall keep the whole process of recording or recording of the meeting of the shareholders' meeting and keep it for at least one year.
8. The company may appoint an appointed lawyer, accountant or related person to attend the shareholders' meeting.  
The management staff of the shareholders' meeting shall wear a recognition certificate or armband.
9. If the chairman of the meeting has not been represented by a majority of the total number of shares to be issued, the chairman may declare a postponement of the meeting. The

delay shall be limited to two times, and the delay shall not exceed one hour. If there is less than one third of the total number of issued shares, the shareholders may attend the meeting.

If the number of shares to be represented is less than half of the total number of issued shares before the meeting is not completed, the chairman shall resubmit the decision to resubmit the meeting in accordance with the provisions of the Company Law.

10. The meeting shall be made by the board of directors, and the meeting shall be conducted on the basis of the scheduled agenda and shall not be changed without the resolution of the shareholders' meeting.

If the shareholders are convened by the convenor other than the board of directors, the provisions of the preceding paragraph shall be used.

Agenda 2 Before the proceedings (including provisional motion) are not terminated, the President shall not adjourn the meeting by resolution.

11. Before attending a statement, the applicant must first fill in the statement to specify the purpose of the statement, the number of members and the name of the board, by the chairman to specify the order of their speeches.

Attendance of the shareholders only to speak but not speakers, as not speak. The content of the statement and the statement of the statement does not match, to speak content shall prevail.

At the time of the presentation of the shareholders, the other shareholders shall not speak in any way except with the consent of the chairman and the shareholders of the statement, and the chairman of the violation shall cease.

The same motion shall not be repeated by the Chairman, and shall not exceed two times, not more than five minutes. If the shareholder speaks in violation of the preceding paragraph or exceeds the scope of the question, the chairman shall stop his speech.

12. Any legal entity designated as proxy by a shareholder(s) to be present at the shareholders meeting may appoint only one representative to attend such meeting.

If a corporate shareholder who designated two or more representatives to represent may speak on any one discussion item.

13. After the presentation of the shareholders, the chairman has personally or designated the relevant personnel to reply.

14. The bill of directors of the motion and the counting of votes, designated by the chairman, but the prisoners should have a shareholder status. The result of the vote shall be reported on the spot and made into record.

15. The meeting is in progress and the chairman has the time to declare his rest. If a meeting fails to end, the Assembly will be resolved by resolution within five days and free from the notice and announcement.

16. The resolution of the resolution shall be approved by the majority of the shareholders' voting rights in addition to the provisions of the Company Law and the Articles of Association.

Vote on the motion:

- a. When the Chairman is consulted and all the participants are not dissenting, they shall be

deemed to have passed the same objection without the objection.

b. The same is true of the votes cast against the motion and the remainder of the objection is the same as the vote.

c. In the case of an amendment or an alternative to the same motion, the Chairman shall, in the same order as the original proposal. If the other case has been passed, the other motions shall be deemed to have been vetoed.

17. The chairman has commanded the captain (or security officer) to assist in maintaining the order of the venue. When the captain (or the security officer) is present to assist in maintaining the order, the mark of the "picker" should be worn.

18. The Rules shall be implemented after the adoption of the Shareholders' Meeting.

## Appendix 3 Shareholding of Directors and Supervisors

### POWERTECH INDUSTRIAL CO.,LTD.

#### Shareholding of Directors and Supervisors

Book closure date: April 15, 2017

Position	Name	Date elected	Shareholding while elected		Current shareholding	
			Shares	Shareholding ratio%	Shares	Shareholding ratio%
Chairman	Jonie Chou	6.7, 2016	7,817,617	7.22	7,649,035	7.41
Director	Michael Tian-Shyug Lee		1,336,458	1.23	1,336,458	1.29
Director	George Lee		1,378,655	1.27	1,378,655	1.34
Director	Jennifer Lai		283,141	0.26	283,141	0.27
Independent Director	Chun-Chi Yang		0	0	0	0
Independent Director	Tsung-Pei Lee		0	0	0	0
Total Shares of Directors			10,815,871	9.99	10,647,289	10.31
Supervisor	Chin-Yang Chen	6.7 ,2016	1,576,559	1.46	1,576,559	1.53
Supervisor	Shin-Rong Shiah-Hou		0	0	0	0
Supervisor	Jun-Yu Huang		201,000	0.19	201,000	0.19
Total Shares of Supervisors			1,777,559	1.64	1,777,559	1.72

Note 1. Total issued shares: 103,224,450 shares on Apr. 15, 2017

Note 2. All of these are common stock

Note 3. The minimum required total shareholding of all directors by law: 8,000,000 shares

The total shareholding of all directors on the book closure date: 10,647,289 shares

Note 4: The minimum required total shareholding of all supervisors by law: 800,000 shares

The total shareholding of all supervisors on the book closure date: 1,777,559 shares

Note 5: The independent director Chih chou, Chiu was resigned at 2016.12.20

## **Appendix 4**

### **Other**

1. Acceptance of proposals submitted by Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words (including proposal, explanatory notes and punctuation marks), and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the general shareholders' meeting where at his proposal is to be discussed and shall take part in the discussion of such proposal.
2. The proposal accepting period of 2017 Annual General Shareholders Meeting is from April 7, 2017 to April 17, 2017.
3. No proposals are raised by shareholders during the said accepting period.