



2020

Annual Shareholders' Meeting
Meeting Agenda
(Translation)

SCAN-D CORPORATION

Time: Jun.17, 2020 Am 09:00

Place: No. 69, Dinghu 1st St., Guishan Dist., Taoyuan City

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Scan-D Corporation
2020 General Shareholders' Meeting Agenda

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
- IV. Proposals
- V. Discussion and Elections
- VI. Extempore Motions
- VII. Adjournment

Scan-D Corporation

2020 General Shareholders' Meeting Agenda

Time: 9AM, Wednesday, June 17, 2020

Address: No. 69, Dinhu 1 St., Gueishan Dist., Taoyuan City (the Company's conference room)

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
 - (I) The Company's 2019 Business Report.
 - (II) Report on the Company's 2019 Supervisors' Review Final Statement.
 - (III) Report on the Company's 2019 Employees' and Directors' Remuneration Distribution.
 - (IV) Report on the Company's Second Conversion of Domestic Secured Corporate Bonds.
- IV. Proposals
 - (I) The Company's 2019 Business Report and Final Statement.
 - (II) The Company's 2019 Earnings Distribution.
- V. Discussion and Election
 - (I) Amendments to Articles of the Company's Articles of Association.
 - (II) Amendments to Certain Articles of the Company's Rules of Procedure for Shareholder Meetings

- (III) The Procedures for Election of Directors and Supervisors is renamed to the Procedures for Election Directors.
- (IV) The Re-election of 7 Directors (Including 3 Independent Directors).
- (V) Removal of Non-compete Restrictions for New Directors (Including Independent Directors) and their Representatives.

VI. Extempore Motions

VII. Adjournment,

Chapter 3. Reporting Matters

Proposal I Proposed by the Board of Directors

Subject: Report on the Company's 2019 business condition. Please review accordingly.

Description: Please refer to Annex I on page 11 to 12 of this manual for the Company's 2019 Business Report.

Proposal II Proposed by the Board of Directors

Subject: Report on the Company's 2019 Supervisors' Review Final Statement. Please review accordingly.

Description: Please refer to the following Supervisors' Review Final Statement:

Scan-D Corporation 2019 Supervisors' Review Final Statement

The Board of Directors has prepared the Company's 2019 consolidated and individual financial statements, which have been audited by CPA Chen, Hui-Min and Kuo, Nai-Hua from Deloitte & Touche. The above-mentioned manual, together with the Business Report and the profit distribution proposal, have been reviewed by the supervisors, who are in the view that there is no error. This report was prepared according to the provisions of Article 219 of the Company Law for your review.

TO

The Company's 2020 General Shareholders' Meeting

Scan-D Corporation

Supervisor: Wang, I-Yao

Supervisor: Lee, Shin-Mo

Supervisor: Liu, Chih-Hung

March 24, 2020

Proposal III Proposed by the Board of Directors

Subject: Report on the Company's 2019 Employees' and Directors' Remuneration Distribution. Please review accordingly.

- Description:
1. Pursuant to Article 19 of the Articles of Association: In case profit is made by the Company, no less than 4% of the said profit shall be allocated for employees' remuneration. The Board of Directors shall determine whether to issue the remuneration in shares or cash. Recipients shall include the Company's employees that satisfy specific criteria. The Company permits the Board of Directors to allocate no more than 2% of the sum of the aforementioned profit as remuneration for the Directors and Supervisors.
 2. In 2019, the Company's profit was NT\$138,316,233 (i.e. profit before tax less the benefits before distribution of employees', directors' and supervisors' remuneration less accumulated loss), employees' remuneration was NT\$5,809,282 and directors' and supervisors' remuneration was NT\$1,936,427, which were all paid in cash.
 3. The proposal was reviewed by the Remuneration Committee and resolved by the Board of Directors.
 4. There is no difference between the above distribution amount and the estimated amount of recognized expenses in 2019.

Proposal IV Proposed by the Board of Directors

Subject: Report on the Company's Second Conversion of Domestic Secured Corporate Bonds. Please review accordingly.

Description: The Company was approved by the Financial Supervisory Commission Jinguanzhengfa No. 1050044891 on November 17, 2016 to issue the second conversion of domestic secured corporate bonds of NT\$300 million. For details, please refer to Annex II on page 13 of this manual.

Chapter 4. Proposals

Proposal I Proposed by the Board of Directors

Subject: The Company's 2019 Business Report and Final Statement. Please review accordingly.

Description: 1. The Company's 2019 consolidated and individual financial statements have been audited by CPA Chen, Hui-Min and Kuo, Nai-Hua from Deloitte & Touche. An unqualified audit report has been issued, and the Business Report has been submitted to the supervisor for review.

2. Please refer to Annex I on page 11 to 12 of this manual for the above-mentioned Business Report, and Annex III and IV on page 14 to 35 of this manual for the Final Statement.

Resolution:

Proposal II Proposed by the Board of Directors

Subject: The Company's 2019 Earnings Distribution. Please review accordingly.

Description: 1. The Company's 2019 earnings distribution, the list of which has been prepared in accordance with the Company's Articles of Association.

2. A cash dividend of NT\$83,039,809 is expected to be distributed to shareholders (NT\$1.8 per share in cash). After it has been resolved by the General Shareholders' Meeting, the Board of Directors is authorized to set a separate ex-dividend date and payment date for the distribution. The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.
3. In the event that the number of shares outstanding is affected by changes in the Company's share capital, resulting in the change of the dividend rate, the shareholders meeting is requested to authorize the Board of Directors to handle such change at its full discretion.
4. Please refer to Annex V on Page 36 of the Handbook for the Company's distribution of 2019 earnings.

Resolution:

Chapter 5. Discussion and Election

Proposal I: Proposed by the Board of Directors

Subject: Please vote on the amendment to certain articles of the Company's Articles of Association.

Description: 1. In accordance with the laws and regulations of the competent authority, the Audit Committee has been established to replace the supervisor's function. In addition, considering the Company's operation and development needs, certain articles of the Company's Articles of Association are proposed to be amended.

2. For the comparison table of the provisions of the Articles of Association before and after the amendments, please refer to Annex VI on pages 37 to 47 of this manual.

Resolution:

Proposal II: Proposed by the Board

Subject: Please vote on the amendments to certain articles of the Company's Rules of Procedure for Shareholder Meetings.

Description: 1. In accordance with the Financial Supervisory Commission Jinguanzhengfa No. 1080339900 on December 31, 2019 and to facilitate the Company in establishing up the Audit Committee to replace the supervisor's function, certain articles of the Company's Rules of Procedure for Shareholder Meetings are proposed to be amended.

2. For a comparison table of the provisions before and after the amendments to the Rules of Procedure of the Shareholder Meeting, please refer to Annex VII on pages 48 to 59 of this manual.

Resolution:

Proposal III: Proposed by the Board of Directors

Subject: Please vote on the Company's Procedures for Election of Directors and Supervisors is renamed to the Procedures for Election of Directors.

Description: 1. In accordance with the Financial Supervisory Commission Jinguanzhengfa No. 10703452331 on December 19, 2018 and to

facilitate the Company in establishing up the Audit Committee, the Company's Procedures for Election of Directors and Supervisors is proposed to be renamed to the Procedures for Election of Directors.

2. For a comparison table of the provisions before and after the amendments to the Procedures for Election of Directors, please refer to Annex VIII on pages 60 to 70 of this manual.

Resolution:

Proposal IV: Proposed by the Board of Directors

Subject: Election to be held for the re-election of 7 directors (including 3 independent directors).

Description: 1. The 9th session of the tenure of the Company's directors ends on June 21, 2020. Re-election shall be held before the 2020 general shareholders meeting according to the laws. The 9th session of the tenure of directors and supervisors ends in advance at the same time as new directors of the 10th session were elected at the general shareholders meeting this year.

2. In accordance with the Financial Supervisory Commission Jinguanzhengfa No. 10703452331 on December 19, 2018, an audit committee should be established to replace the supervisor's function from January 1, 2020. The Company intends to establish an audit committee in accordance with the Securities and Exchange Act from the 10th session of the Board of Directors. The audit committee no longer has a supervisor in accordance with the law and consists of all independent directors instead.
3. Pursuant to Articles 13 and 13-1 of the Company's Articles of Association, 7 directors (including 3 independent directors) of the 10th session shall be elected. The tenure of the newly elected directors (including independent directors) shall be three years, starting from June 17, 2020 to June 16, 2023, subject to re-election.
4. According to Article 192-1 of the Company Law and Article 13-1 of the Articles of Association of the Company, the election of independent directors adopted a nomination system, which has been nominated, reviewed and approved by the Board of Directors of the Company. and included in the list of independent director candidates. The relevant information is as follows:

Independent Director Candidates	Education Background	Experiences	Current Position	Number of Shares Held	Reasons for the term of independent directors reaching three sessions
Chen, Chung-Cheng	Master of Business Administration, Datung University Department of Geosciences, National Taiwan University	Director, Yung Hui Investment Co. Director, Taiwan Everlight Chemical Industrial Co. Manager, Development Center for Biotechnology	President, Evershine CPAs Firm Person in charge, Evershine BPO Service Co. President, Evershine IPO Firm Supervisor, UIC Inc. Independent Director, JP Nelson Holdings Independent Director, Anxo Pharmaceutical Co. Ltd. Independent Director, SCAN-D CORPORATION	0	Mr. Chen, Chung-Cheng has served as an independent director of the Company for more than three sessions. Considering his qualifications as an accountant, familiarity with relevant laws and regulations, experiences in industry risks and corporate governance, provide independent judgment and objective opinions on corporate affairs, he will continue to be nominated as an Independent Director candidate, so that they can still utilize his expertise, supervise the Board of Directors and provide advice in performing his duty as an independent director.
Wang, Chia-Cheng	Department of Accounting, Fu Jen Catholic University	Chief Financial Officer, Cayman Islands Shangyungching Holding Co., Ltd. Finance Director, Scan-D Corporation Senior Finance Manager/Spokesperson, Prolific Technology Inc	Chief Financial Officer, Rainter Technology Corp. Independent director, Simula Technology Inc. Independent Director, SCAN-D CORPORATION	83,525	None
Hung, Da-Feng	Taipei High School of Commerce College of Performing Arts, National Taiwan University of Arts	Chief Business Officer, Head Office of First Bank Manager, Taishan Branch of First Bank Manager, Tucheng Branch of First Bank	Special Assistant of the Chairman, Tai Shan Gases Co., Ltd.	0	None

5. Please proceed to vote:
Result of Election:

Proposal V: Proposed by the Board of Directors

Subject: Please vote on the removal of non-compete restrictions for new directors (including independent directors) and their representatives.

Description: 1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

2. It is proposed to file a request to the 2020 General Shareholders Meeting pursuant to the law, with regard to the removal of non-compete restrictions for new directors (including independent directors) and their representatives.

Resolution:

Chapter 6. Extempore Motions

Adjournment

Business Report

Dear shareholders:

First of all, I would like to thank all shareholders for attending the Company's general shareholders meeting. Last year, Scan-D has officially entered the group strategic layout of the Asian furniture market, acquiring Taiwan's second largest furniture retailer "NOVA" with NT\$228 million. It was the first M&A of Scan-D since its establishment over 27 years. Although the revenue growth has not been a problem after consolidating the revenue in Scan-D Group, external factors such as the US-China trade war and annuity reform has resulted in a more conservative consumption pattern, the revenue of Taiwan Scan-D thereby declined compared to 2018, Looking forward to the business this year, the epidemic in Wuhan may have a short-term impact on domestic consumption in the first quarter, and the US-China trade war is showing signs of easing. After the Taiwan election has ended, as the political and economic situation returns to stability, Taiwan consumers should be able to move away from the conservative consumption model. In addition, as the Taiwan housing market began to recover, Taiwan market operation should be able to improve significantly compared to last year. Among the three major brands of Scan-D Group, Scan Living will be the brand with the greatest growth momentum and will be the main force of the exhibition stores. Scanteak has entered the mature stage of the brand, the pace of store optimization will continue to move forward. The first brand flagship store has been launched in the Neihu frontline in November last year. In addition, dual-brand group stores will also be launched one after another this year. In addition to establishing landmarks that symbolize the leading brand, the Group's advantage will also be better utilized. Sleep Gallery will specialize in special counters in department stores, establishing a clear direction as a high-end bedding brand. As of the end of 2019, the number of Scan-D Group branches reached 128 branches (including 81 Scanteak branches, 40 Scan Living branches and 7 Sleep Gallery branches), maintaining its position as the largest furniture chain store in Taiwan. In 2019, the Company's total revenue reached NT\$1.828 billion, representing an annual increase of 7.33%; net profit after tax was NT\$103 million, representing an annual decrease of 38.09%. The 2019 operation results and 2020 business plan are reported as follows:

I. 2019 Business Report

(I) Implementation of Business Plan:

Unit: NT\$'000

Item \ Year	Amount in 2019	Amount in 2018	Increase (decrease)	Increase (decrease) ratio (%)
Operating revenue	1,828,643	1,703,688	124,955	7.33%
Gross profit	1,004,836	944,252	60,584	6.42%
Operating expenses	888,078	742,171	145,907	19.66%
Operating Profit	116,758	202,081	(85,323)	(42.22)%
Non-operating income (expenses)	22,303	9,762	12,541	128.47%
Net profit (loss) before tax	139,061	211,843	(72,782)	(34.36)%
Net profit (loss) after tax	103,744	167,570	(63,826)	(38.09)%

(II) Budget performance: Not applicable.

(III) Financial balance and profitability analysis:

Unit: NT\$'000

Item		Year	2019	2018	Increase (decrease) %
Financial Condition	Operating revenue		1,828,643	1,703,688	7.33%
	Gross profit		1,004,836	944,252	6.42%
	Interest income		1,873	249	652.21%
	Interest expenses		19,077	3,398	461.42%
	Net profit after tax		103,744	167,570	(38.09)%
Profitability	Return on assets (%)		5.60	10.88	(48.53)%
	Return on shareholders' equity (%)		10.11	16.58	(39.02)%
	Paid-in ratio (%)	Operating Profit	25.31	43.80%	(42.21)%
		Net profit before tax	30.14	45.92%	(34.36)%
	Net margin (%)		5.67	9.84	(42.38)%
	Earnings per share (net loss) (NT\$)		2.25	3.67	(38.69)%

(IV) Research and development: Not applicable.

II. Summary of 2020 Business Plan

(I) Business strategy:

1. Planned to establish 10 business locations in 2020.
2. Continue to increase the number of dual-brand group stores and expand the market to improve overall efficiency.
3. Make good use of channel advantages of being an international furniture and boutiques agency, implement multi-brand strategic operation.
4. Utilize information system to strengthen purchasing accuracy and optimize inventory management.

(II) Estimated Sales Volume and its Basis:

In the coming year, the Company will continue to establish more locations and expand the scale of operations. The revenue is expected to grow continuously in the coming year.

(III) Important production and marketing policies

1. Multi-brand management as an enterprise development strategy to meet market demand.
2. Strengthen product design capabilities to provide warm, comfortable and ergonomic furniture.
3. Continue to increase brand penetration and consumer identity, in order to strengthen the sales of existing channels and expand the market share.

The above is the Company's current condition and future development direction. Scan-D will continue to uphold the business philosophy since its establishment "innovation, harmony, pragmatic, speed" and move towards corporate sustainable management. We also hope that our shareholders will continue to show support and encouragement. All employees of Scan-D shall try their best in achieving outstanding performance. Lastly, I wish you health and all the best.

Scan-D Corporation

Chairman: Lim, Pok-Chin

General Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation

The second conversion of domestic secured corporate bonds

Types of corporate bonds	The second conversion of domestic secured corporate bonds
Date of issuance	12.15.2016
Issuing amount	NT\$100,000
Issuance Price	Issued at par value
Total issuing par value	NT\$300,000,000
Total issuing amount	NT\$300,000,000
Coupon Rate	0%
Issuance period	12.15.2016-12.15.2021
Conversion period	01.16.2017-12.15.2021
Conversion premium rate	102.13%
Latest conversion price	NT\$40.4
Rights and conditions of sell back bonds	For details, please refer to issuance and conversion policies
Rights and conditions of buy back bonds	For details, please refer to issuance and conversion policies
Underwriter	Cathay Securities Corporation
Unconverted ordinary shares as of the publication date	3,150,287 shares
Unconverted amount as of the publication date	NT\$152,400,000

2019 Consolidated Financial Statements Independent Auditors' Report

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation and its subsidiaries (hereinafter referred to as "Scan-D Group") as of December 31, 2019 and 2018, and the Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, and Notes to the Consolidated Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2019 and 2018.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Auditors' Opinion

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

Key Audit Matters

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

Key audit matters for the 2019 Consolidated Financial Statements of Scan-D Corporation and its subsidiaries (Scan-D Group) are as followings:

Authenticity of Sales Revenue

Significant audit risk is regarded as existing in the revenue recognition based on the significance and audit guidelines. As Scan-D Group belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, the risk of revenue recognition depends on whether sales revenue is generated. Therefore the sales revenue generated from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters.

By performing control tests, we realized the revenue recognition procedure of the Scan-D Group, and the design and implementation of related control systems. Other audit procedures performed included:

1. Taking the detail of the sales revenue generated from the orders with prices higher than the average sales amount of orders as the population for the audit, we inspected and verified the efficiency of the transaction orders and delivery orders.
2. We checked the authenticity of the payment amounts and the payers according to the condition of payment collection.
3. With the samples for testing selected from the detailed records of sales revenue, we performed detailed tests to verify the consistency between the order amounts and the target of the orders, the reasonability of dates, and whether the orders were signed and accepted.
4. We found no significant sales return and discount during the later stage of the period (the later stage of the period was determined based on the average credit period).

Other Matters

Scan-D Corporation has compiled the Individual Financial Statements for 2019, and we have compiled an audit report with our unqualified opinion for reference.

Responsibilities of the Management and Governance Bodies on the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as

management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Scan-D Group's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Group or cease operation, or has no other practicable solutions other than liquidation or cease of operation. The governing bodies (including supervisors) of Scan-D Group are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain an necessary understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scan-D Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Group's ability to continue as a going concern. If we are of

the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Group to no longer have the capacity to function as a going concern

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

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

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the consolidated financial statements for 2019 based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche

CPA Chen, Hui-Min

CPA Kuo, Nai-Hua

Securities and Futures Commission
Approval Document No.

Tai-Cai-Zheng-6 No. 0920123784

Financial Supervisory Commission Approval
Document No.

Chin-Kuan-Cheng-Shen-Tzu No. 1070323246

March 24, 2020

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D corporation and its subsidiaries
Consolidated Balance Sheets
December 12, 2019 and 2018

Unit: NT\$'000

Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 221,542	8	\$ 80,044	5
1110	Financial assets at fair value through profit and loss-current (Notes 4 and 7)	7,680	-	224	-
1170	Net accounts receivable (Note 4 and 8)	72,130	3	79,249	5
1200	Other receivables	374	-	16	-
130X	Inventories (Note 4 and 9)	528,365	20	508,843	33
1410	Advance payments (Note 15)	8,814	-	29,278	2
1470	Other current assets (Note 15 and 32)	12,307	-	4,271	-
11XX	Total current assets	<u>851,212</u>	<u>31</u>	<u>701,925</u>	<u>45</u>
	Non-current assets				
1600	Property, Plant & Equipment (Note 4, 11, and 32)	795,419	30	761,985	50
1755	Right-of-use assets (Note 4, 12 and 31)	831,643	31	-	-
1801	Net computer software (Note 4 and 13)	1,188	-	1,623	-
1805	Goodwill (Note 4 and 14)	158,913	6	-	-
1840	Deferred income tax assets (Note 4 and 25)	-	-	1,317	-
1915	Advance payment for equipment	3,909	-	30,476	2
1920	Refundable Deposits (Note 31)	62,841	2	49,861	3
15XX	Total non-current assets	<u>1,853,913</u>	<u>69</u>	<u>845,262</u>	<u>55</u>
1XXX	Total assets	<u>\$ 2,705,125</u>	<u>100</u>	<u>\$ 1,547,187</u>	<u>100</u>
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 4 and 16)	\$ 80,052	3	\$ -	-
2130	Contract liabilities - current (Note 23)	256,390	9	117,013	8
2150	Notes receivable (Note 4 and 18)	4,461	-	32,730	2
2170	Accounts payable (Notes 4 and 18)	46,371	2	23,406	2
2200	Other payables (Note 19)	96,810	4	78,397	5
2230	Income tax liabilities for the period (Note 4 and 25)	9,890	-	21,809	1
2280	Lease liabilities - current (notes 4, 12 and 31)	264,425	10	-	-
2310	Advance receivable	496	-	22,425	2
2321	Corporate bonds due within one year or exercised repurchase rights (notes 4 and 17)	148,259	6	146,150	9
2322	Long-term loans due within one year (Note 4 and 16)	8,884	-	5,518	-
2399	Other current liabilities	3,660	-	3,675	-
21XX	Total current liabilities	<u>919,698</u>	<u>34</u>	<u>451,123</u>	<u>29</u>
	Non-current liabilities				
2540	Long-term loans (Note 4 and 16)	189,597	7	46,900	3
2550	Liabilities provision - non-current (Notes 4 and 20)	7,614	1	6,400	1
2570	Deferred income tax liabilities (Note 4 and 25)	1,895	-	-	-
2580	Lease liabilities - non-current (notes 4, 12 and 31)	572,291	21	-	-
2645	Guarantee deposited	5,068	-	24	-
25XX	Total non-current liabilities	<u>776,465</u>	<u>29</u>	<u>53,324</u>	<u>4</u>
2XXX	Total liabilities	<u>1,696,163</u>	<u>63</u>	<u>504,447</u>	<u>33</u>
	Equity (Note 22)				
	Equity attributable to owners of the Company				
3110	Capital - common stock	461,332	17	461,332	30
3200	Capital surplus	181,931	7	181,931	11
	Retained earnings				
3310	Statutory surplus reserve	182,733	7	165,976	11
3350	Undistributed earnings	181,919	6	233,501	15
3300	Total retained earnings	364,652	13	399,477	26
3400	Other equity	(1,248)	-	-	-
31XX	Total equity attributable to owners of the Company	<u>1,006,667</u>	<u>37</u>	<u>1,042,740</u>	<u>67</u>
36XX	Non-controlling interests (Note 22)	2,295	-	-	-
3XXX	Total equity	<u>1,008,962</u>	<u>37</u>	<u>1,042,740</u>	<u>67</u>
	Total liabilities and equity	<u>\$ 2,705,125</u>	<u>100</u>	<u>\$ 1,547,187</u>	<u>100</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2019 and 2018

(Unit: NT\$'000, NT\$ for earnings per share)

Code		2019		2018	
		Amount	%	Amount	%
	Operating income (Note 23)				
4110	Sales revenue	\$ 1,834,971	101	\$ 1,707,092	100
4170	Sales return	(14,621)	(1)	(17,202)	(1)
4190	Sales discount	(126)	-	(119)	-
4100	Net sales revenue	1,820,224	100	1,689,771	99
4800	Other operating revenue	8,419	-	13,917	1
4000	Total Operating Revenue	<u>1,828,643</u>	<u>100</u>	<u>1,703,688</u>	<u>100</u>
	Operating costs (notes 9, 21, 24, and 31)				
5110	Cost of sales	(817,403)	(45)	(748,954)	(44)
5800	Other operating costs	(6,404)	-	(10,482)	(1)
5000	Total operating expenses	(823,807)	(45)	(759,436)	(45)
5900	Gross profit	<u>1,004,836</u>	<u>55</u>	<u>944,252</u>	<u>55</u>
	Operating expenses (Notes 24 and 31)				
6100	Marketing expenses	(789,611)	(43)	(667,305)	(39)
6200	Administrative expenses	(98,467)	(5)	(74,866)	(4)
6000	Total operating expenses	(888,078)	(48)	(742,171)	(43)
6900	Operating margin	<u>116,758</u>	<u>7</u>	<u>202,081</u>	<u>12</u>
	Non-operating income and expenses (Note 24 and 31)				
7190	Other income	43,264	2	14,222	1
7020	Other profit and loss	(1,884)	-	(1,062)	-
7050	Finance costs	(19,077)	(1)	(3,398)	-
7000	Total non-operating income and expenses	<u>22,303</u>	<u>1</u>	<u>9,762</u>	<u>1</u>
7900	Profit before tax of continuing operations	139,061	8	211,843	13

(Continued)

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Code		2019		2018	
		Amount	%	Amount	%
7950	Income tax expenses (Note 4 and 25)	(35,317)	(2)	(44,273)	(3)
8200	Net income	<u>103,744</u>	<u>6</u>	<u>167,570</u>	<u>10</u>
	Other comprehensive profit or loss				
8360	Items that might be reclassified to profit or loss:				
8361	Translation differences in financial statements from overseas operations (Note 22)	(1,602)	-	-	-
8399	Income tax relating to items that may be reclassified (Notes 22)	<u>312</u>	-	-	-
8300	Other comprehensive income for the period	(<u>1,290</u>)	-	-	-
8500	Total comprehensive income	<u>\$ 102,454</u>	<u>6</u>	<u>\$ 167,570</u>	<u>10</u>
	Net income attributable to:				
8610	Owners of parent company	\$ 103,575	6	\$ 167,570	10
8620	Non-controlling interest	<u>169</u>	-	-	-
8600		<u>\$ 103,744</u>	<u>6</u>	<u>\$ 167,570</u>	<u>10</u>
	Total comprehensive income attributable to:				
8710	Owners of parent company	\$ 102,327	6	\$ 167,570	10
8720	Non-controlling interest	<u>127</u>	-	-	-
8700		<u>\$ 102,454</u>	<u>6</u>	<u>\$ 167,570</u>	<u>10</u>
	Earnings per share (Note 26)				
	From continuing business				
9710	Basic	<u>\$ 2.25</u>		<u>\$ 3.67</u>	
9810	Diluted	<u>\$ 2.24</u>		<u>\$ 3.43</u>	

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2019 and 2018

Unit: NT\$'000

		Equity attributable to owners of the Company								
		Capital		Retained earnings			Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity	
Code		Number of shares	Amount	Capital surplus	Statutory surplus reserve	Undistributed earnings				
A1	Balance as of January 1, 2018	44,380	\$ 443,799	\$ 121,908	\$ 144,098	\$ 269,337	\$ -	\$ -	\$ 979,142	
	Appropriation and distribution of 2017 earnings									
B1	Statutory surplus reserve	-	-	-	21,878	(21,878)	-	-	-	
B5	Cash dividend to shareholders of the Company	-	-	-	-	(181,528)	-	-	(181,528)	
D1	Net profit in 2018	-	-	-	-	167,570	-	-	167,570	
I1	Conversion of corporate bonds to common stock	<u>1,753</u>	<u>17,533</u>	<u>60,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,556</u>	
Z1	Balance as at December 31, 2018	46,133	461,332	181,931	165,976	233,501	-	-	1,042,740	
	Appropriation and distribution of 2018 earnings									

Equity attributable to owners of the Company

Code		Capital		Retained earnings		Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity
		Number of shares	Amount	Capital surplus	Statutory surplus reserve			
B1	Statutory surplus reserve	-	-	-	16,757	(16,757)	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	(138,400)	-	(138,400)
D1	Net profit in 2019	-	-	-	-	103,575	169	103,744
D3	Other comprehensive income in 2019	-	-	-	-	(1,248)	(42)	(1,290)
D5	Total comprehensive income in 2019	-	-	-	-	103,575	127	102,454
O1	Changes in non-controlling interests	-	-	-	-	-	2,168	2,168
Z1	Balance as at December 31, 2019	<u>46,133</u>	<u>\$ 461,332</u>	<u>\$ 181,931</u>	<u>\$ 182,733</u>	<u>\$ 181,919</u>	<u>\$ 2,295</u>	<u>\$ 1,008,962</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2019 and 2018

Unit: NT\$'000

Code		2019	2018
	Cash flows from operating activities		
A10000	Profit before tax for the year	\$ 139,061	\$ 211,843
A20010	Income and expense items		
A20100	Depreciation expenses	257,000	38,817
A20200	Amortization expenses	1,389	1,200
A20400	Net losses on financial liabilities at fair value through profit or loss	1,132	276
A20900	Finance costs	19,077	3,398
A21200	Interest income	(1,873)	(136)
A21300	Dividend income	(282)	-
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	872	(222)
A29900	Gain on lease modification	(1)	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	-	1,328
A31150	Accounts receivable	12,315	12,067
A31180	Other receivables	(358)	1,607
A31200	Inventory	24,006	(44,102)
A31230	Prepayments	161	11,968
A31240	Total current assets	14,865	2,447
A32125	Contract liabilities	139,377	(18,543)
A32130	Notes payable	(9,382)	(10,624)
A32150	Accounts payable	(96,771)	4,781
A32180	Other Payables	19,852	(12,627)
A32210	Advance receivable	480	22,095
A32230	Other current liabilities	<u>1,401</u>	<u>(655)</u>
A33000	Cash from operating activities	522,321	224,918
A33300	Interest paid	(3,657)	(1,042)
A33500	Income tax paid	<u>(58,410)</u>	<u>(52,018)</u>
AAAA	Net cash inflow from operating activities	<u>460,254</u>	<u>171,858</u>
	Cash flow from investment activities		
B02200	Acquisition of subsidiaries (less the cash received)	(152,348)	-

(Continued)

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Code		2019	2018
B02700	Acquisition of property, plant and equipment	(25,017)	(24,021)
B02800	Disposal price of property, plant and equipment	63	1,142
B03700	Increase in refundable deposits	(14,498)	(2,990)
B04500	Acquisition of intangible assets	(954)	(818)
B06500	Increase in other financial assets	-	(3)
B07100	Increase in prepayment for equipment	(11,465)	(31,175)
B07500	Interest received	1,036	136
B07600	Dividend received	<u>282</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>(202,901)</u>	<u>(57,729)</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	78,160	-
C01600	Proceeds from long-term loan	145,115	-
C01700	Repayment of long-term loan	-	(5,518)
C03000	Increase in guarantee deposits	5,044	24
C04020	Repayment of lease principal	(204,591)	-
C04500	Cash dividend distributed	<u>(138,400)</u>	<u>(181,528)</u>
CCCC	Net cash outflow from financing activities	<u>(114,672)</u>	<u>(187,022)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(1,183)</u>	<u>-</u>
EEEE	Increase (decrease) in cash and cash equivalents for the year	141,498	(72,893)
E00100	Cash and cash equivalents at beginning of the year	<u>80,044</u>	<u>152,937</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 221,542</u>	<u>\$ 80,044</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

2019 Individual Financial Statements Independent Auditors' Report

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation as of December 31, 2019 and 2018, and the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to the Individual Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2019 and 2018.

In our opinion, the above individual financial statements present fairly, in all material respects, the individual financial position of Scan-D Corporation as of December 31, 2019 and 2018, and its individual financial performance and its consolidated cash flows for January 1 to December 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Auditors' Comments

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

Key audit matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2019 of Scan-D Corporation. These matters were addressed in the context of our audit of the individual financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2019 individual financial statements of Scan-D Corporation are as followings:

Authenticity of Sales Revenue

Significant audit risk is regarded as existing in the revenue recognition based on the significance and audit guidelines. As Scan-D Corporation belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, the risk of revenue recognition depends on whether sales revenue is generated. Therefore the sales revenue generated from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters.

By performing control tests, we realized the revenue recognition procedure of the Scan-D Corporation, and the design and implementation of related control systems. Other audit procedures performed included:

1. Taking the detail of the sales revenue generated from the orders with prices higher than the average sales amount of orders as the population for the audit, we inspected and verified the efficiency of the transaction orders and delivery orders.
2. We checked the authenticity of the payment amounts and the payers according to the condition of payment collection.
3. With the samples for testing selected from the detailed records of sales revenue, we performed detailed tests to verify the consistency between the order amounts and the target of the orders, the reasonability of dates, and whether the orders were signed and accepted.
4. We found no significant sales return and discount during the later stage of the period (the later stage of the period was determined based on the average credit period).

Responsibilities of the Management and Governance Bodies on the Individual Financial Statements

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

In preparing the individual financial statements, the management is responsible for assessing the Scan-D Corporation's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Corporation or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including supervisors) of Scan-D Corporation are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the individual financial statements, they will be deemed as material.

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain a necessary understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scan-D Corporation's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Corporation's ability to continue as a going concern. "If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion." Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Corporation to no longer have the capacity to function as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Scan-D Corporation to express opinions on the individual financial statements. We are responsible for the guidance, supervision, and implementation and forming audit opinions on Scan-D Corporation.

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

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the individual financial statements for 2019 of Scan-D Corporation based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche
CPA Chen, Hui-Min

CPA Kuo, Nai-Hua

Securities and Futures Commission
Approval Document No.
Tai-Cai-Zheng-6 No. 0920123784

Financial Supervisory Commission Approval
Document No. Chin-Kuan-Cheng-Shen-Tzu No.
1070323246

March 24, 2020

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D Corporation
Individual Balance Sheet
December 12, 2019 and 2018

Unit: NT\$'000

Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 131,100	6	\$ 80,044	5
1110	Financial assets at fair value through profit and loss-current (Notes 4 and 7)	285	-	224	-
1170	Net accounts receivable (Note 4 and 8)	67,474	3	79,249	5
1200	Other receivables	5	-	16	-
130X	Inventories (Notes 4 and 9)	470,575	20	508,843	33
1410	Advance payment (Note 14)	6,318	-	29,278	2
1470	Other non-current assets (Note 14)	658	-	4,271	-
11XX	Total current assets	<u>676,415</u>	<u>29</u>	<u>701,925</u>	<u>45</u>
	Non-current assets				
1550	Investment using equity method (Notes 4 and 10)	247,265	10	-	-
1600	Property, Plant & Equipment (Note 4, 11, and 30)	753,459	32	761,985	50
1755	Right-of-use assets (Note 4 and 12)	641,695	27	-	-
1801	Net computer software (Note 4 and 13)	1,188	-	1,623	-
1840	Deferred income tax assets (Notes 4 and 24)	-	-	1,317	-
1915	Advance payment for equipment	3,909	-	30,476	2
1920	Refundable Deposits (Note 26)	46,576	2	49,861	3
15XX	Total Non-Current Assets	<u>1,694,092</u>	<u>71</u>	<u>845,262</u>	<u>55</u>
1XXX	Total Asset	<u>\$ 2,370,507</u>	<u>100</u>	<u>\$ 1,547,187</u>	<u>100</u>
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 4 and 15)	\$ 60,000	3	\$ -	-
2130	Contract liabilities - current (Note 22)	192,624	8	117,013	8
2150	Notes receivable (Note 4 and 17)	4,461	-	32,730	2
2170	Accounts payable (Notes 4 and 17)	23,675	1	23,406	2
2200	Other payables (Note 18)	76,379	3	78,397	5
2230	Current income tax liabilities (Notes 4 and 24)	3,435	-	21,809	1
2280	Lease liabilities - current (notes 4, 12 and 29)	192,308	8	-	-
2310	Advance receivable	-	-	22,425	2
2321	Corporate bonds due within one year or exercised repurchase rights (notes 4 and 16)	148,259	6	146,150	9
2322	Long-term loans due within one year (Note 4 and 15)	7,303	1	5,518	-
2399	Other current liabilities	3,660	-	3,675	-
21XX	Total current liabilities	<u>712,104</u>	<u>30</u>	<u>451,123</u>	<u>29</u>
	Non-current liabilities				
2540	Long-term loans (Note 4 and 15)	189,597	8	46,900	3
2550	Liability provision - non-current (Note 4 and 19)	6,500	1	6,400	1
2570	Deferred income tax liabilities (Notes 4 and 24)	851	-	-	-
2580	Lease liabilities - non-current (notes 4, 12 and 29)	453,461	19	-	-
2645	Guarantee deposited	1,327	-	24	-
25XX	Total non-current liabilities	<u>651,736</u>	<u>28</u>	<u>53,324</u>	<u>4</u>
2XXX	Total liabilities	<u>1,363,840</u>	<u>58</u>	<u>504,447</u>	<u>33</u>
	Equity (Note 21)				
3110	Capital stock - common stock	461,332	19	461,332	30
3200	Capital surplus	181,931	8	181,931	11
	Retained earnings				
3310	Statutory surplus reserve	182,733	8	165,976	11
3350	Undistributed earnings	181,919	7	233,501	15
3300	Total retained earnings	<u>364,652</u>	<u>15</u>	<u>399,477</u>	<u>26</u>
3400	Other equity	(1,248)	-	-	-
3XXX	Total equity	<u>1,006,667</u>	<u>42</u>	<u>1,042,740</u>	<u>67</u>
	Total liabilities and equity	<u>\$ 2,370,507</u>	<u>100</u>	<u>\$ 1,547,187</u>	<u>100</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Comprehensive Income
January 1 to December 31, 2019 and 2018

(Unit: NT\$'000, NT\$ for earnings per share)

Code		2019		2018	
		Amount	%	Amount	%
	Operating income (Note 4 and 22)				
4110	Sales revenue	\$ 1,449,108	100	\$ 1,707,092	100
4170	Sales return	(14,621)	(1)	(17,202)	(1)
4190	Sales discount	(126)	-	(119)	-
4100	Net sales revenue	1,434,361	99	1,689,771	99
4800	Other operating revenue	8,419	1	13,917	1
4000	Total Operating Revenue	<u>1,442,780</u>	<u>100</u>	<u>1,703,688</u>	<u>100</u>
	Operating costs (notes 9, 23 and 29)				
5110	Cost of sales	(635,648)	(44)	(748,954)	(44)
5800	Other operating costs	(6,404)	(1)	(10,482)	(1)
5000	Total operating expenses	(642,052)	(45)	(759,436)	(45)
5900	Gross profit	<u>800,728</u>	<u>55</u>	<u>944,252</u>	<u>55</u>
	Operating expenses (Notes 23 and 29)				
6100	Selling expense	(620,276)	(43)	(667,305)	(39)
6200	Administrative expense	(76,494)	(5)	(74,866)	(4)
6000	Total operating expenses	(696,770)	(48)	(742,171)	(43)
6900	Operating profit	<u>103,958</u>	<u>7</u>	<u>202,081</u>	<u>12</u>
	Non-operating income and expenses (Note 23)				
7010	Other income	20,091	1	14,222	1
7020	Other gains and losses	263	-	(1,062)	-
7050	Finance costs	(14,966)	(1)	(3,398)	-
7070	Shares of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	<u>21,225</u>	<u>2</u>	<u>-</u>	<u>-</u>

(Continued)

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Code		2019		2018	
		Amount	%	Amount	%
7000	Total non-operating income and expenses	<u>26,613</u>	<u>2</u>	<u>9,762</u>	<u>1</u>
7900	Net income before tax	130,571	9	211,843	13
7950	Income tax expense (Note 4 and 24)	(<u>26,996</u>)	(<u>2</u>)	(<u>44,273</u>)	(<u>3</u>)
8200	Net profit for the year	<u>\$ 103,575</u>	<u>7</u>	<u>\$ 167,570</u>	<u>10</u>
	Other comprehensive gain or loss				
8360	Items that may be reclassified to profit or loss				
8361	Translation differences in financial statements from overseas operations (Note 21)	(1,560)	-	-	-
8399	Income tax relating to items that may be reclassified (Notes 21)	<u>312</u>	-	-	-
8300	Other comprehensive income for the year	(<u>1,248</u>)	-	-	-
8500	Total comprehensive income for the period	<u>\$ 102,327</u>	<u>7</u>	<u>\$ 167,570</u>	<u>10</u>
	Earnings per share (Note 25)				
	From continuing business				
9710	Basic	<u>\$ 2.25</u>		<u>\$ 3.67</u>	
9810	Diluted	<u>\$ 2.24</u>		<u>\$ 3.43</u>	

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Changes in Equity
January 1 to December 31, 2019 and 2018

Unit: NT\$'000

Code		Capital		Retained earnings		Other equity items	Total equity	
		Number of Shares	Amount	Capital surplus	Statutory surplus reserve	Undistributed earnings		Exchange differences on translation of financial statements of overseas operations
A1	Balance as at January 1, 2018	44,380	\$ 443,799	\$ 121,908	\$ 144,098	\$ 269,337	\$ -	\$ 979,142
	Appropriation and distribution of 2017 earnings							
B1	Statutory surplus reserve	-	-	-	21,878	(21,878)	-	-
B5	Cash dividend to shareholders	-	-	-	-	(181,528)	-	(181,528)
D1	Net profit in 2018	-	-	-	-	167,570	-	167,570
I1	Conversion of corporate bonds to common stock	<u>1,753</u>	<u>17,533</u>	<u>60,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,556</u>
Z1	Balance as at December 31, 2018	46,133	461,332	181,931	165,976	233,501	-	1,042,740
	Appropriation and distribution of 2018 earnings							
B1	Statutory surplus reserve	-	-	-	16,757	(16,757)	-	-
B5	Cash dividend to shareholders	-	-	-	-	(138,400)	-	(138,400)
D1	Net profit in 2019	-	-	-	-	103,575	-	103,575
D3	Other comprehensive income in 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,248)</u>	<u>(1,248)</u>
D5	Total comprehensive income in 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,575</u>	<u>(1,248)</u>	<u>102,327</u>
Z1	Balance as at December 31, 2019	<u>46,133</u>	<u>\$ 461,332</u>	<u>\$ 181,931</u>	<u>\$ 182,733</u>	<u>\$ 181,919</u>	<u>(\$ 1,248)</u>	<u>\$ 1,006,667</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Cash Flows
January 1 to December 31, 2019 and 2018

Code	2019	Unit: NT\$'000 2018
Cash flows from operating activities		
A10000	\$ 130,571	\$ 211,843
A20010	Income and expense items	
A20100	209,824	38,817
A20200	1,389	1,200
A20400	Net profit (loss) on financial liabilities at fair value through profit or loss	
	(61)	276
A20900	14,966	3,398
A22400	Shares of profit of subsidiaries, associates and joint ventures accounted for using the equity method	
	(21,225)	-
A21200	(899)	(136)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	
	524	(222)
A29900	(1)	-
A30000	Changes in operating assets and liabilities	
A31130	-	1,328
A31150	11,775	12,067
A31180	11	1,607
A31200	38,268	(44,102)
A31230	22,960	11,968
A31240	(402)	2,447
A32125	75,611	(18,543)
A32130	(28,269)	(10,624)
A32150	269	4,781
A32180	553	(12,627)
A32210	(16)	22,095
A32230	(15)	(655)
A33000	455,833	224,918
A33300	(3,308)	(1,042)
A33500	(42,890)	(52,018)
AAAA	<u>409,635</u>	<u>171,858</u>

Cash flow from investment activities

(Continued)

(Continued from previous page)

Code		2019	2018
B02200	Acquisition of subsidiaries (less the cash received)	(227,600)	-
B02700	Acquisition of property, plant and equipment	(18,145)	(24,021)
B02800	Disposal of property, plant, and equipment	-	1,142
B03700	Increase in refundable deposits	-	(2,990)
B03800	Decrease in refundable deposits	733	-
B04500	Acquisition of intangible assets	(954)	(818)
B06500	Decrease (increase) in other financial assets	4,015	(3)
B07100	Increase in prepayment for equipment	(11,465)	(31,175)
B07500	Interest received	<u>218</u>	<u>136</u>
BBBB	Net cash outflow from investing activities	<u>(253,198)</u>	<u>(57,729)</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	60,000	-
C01600	Borrowing of long-term loan	144,482	-
C01700	Repayment of long-term loan	-	(5,518)
C03000	Increase in guarantee deposits	1,303	24
C04020	Repayment of lease principal	(172,766)	-
C04500	Cash dividend distributed	<u>(138,400)</u>	<u>(181,528)</u>
CCCC	Net cash outflow from financing activities	<u>(105,381)</u>	<u>(187,022)</u>
EEEE	Increase (decrease) in cash and cash equivalents for the year	51,056	(72,893)
E00100	Cash and cash equivalents at beginning of the year	<u>80,044</u>	<u>152,937</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 131,100</u>	<u>\$ 80,044</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation

2019 Earnings Distribution

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of the period	78,344,794	
Plus: Net profit after tax for the period	103,575,012	
Less: Statutory surplus reserve	(10,357,501)	
Less: Recognized in special earning reserve	(1,248,142)	
Earnings available for appropriation for the period		170,314,163
Appropriation:		
Shareholders dividends (NT\$1.8 per share in cash)	83,039,809	
Unappropriated earnings at the end of the period	87,274,354	
<p>Note: Based on the 46,133,227 ordinary shares issued on the previous day of Company's board meeting on March 23, 2020 Share-based The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.</p>		

Chairman: Lim, Pok-Chin

Manager: Lim, Pok-Chin

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation

Articles of Association

Comparison table of the articles before and after the amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
Chapter 1 Article 2	<p>The Company is engaged in the following business:</p> <p>I.CN01010 Furniture and Fixtures Manufacturing.</p> <p>II.E801010 Building Maintenance and Upholstery.</p> <p>III.F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.</p> <p>IV.F111090 Wholesale of Building Materials.</p> <p>V.F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.</p> <p>VI.F211010 Retail Sale of Building Materials.</p> <p>VII.I503010 Landscape and Interior Designing.</p> <p>VIII.F113030 Wholesale of Precision Instruments.</p> <p>IX.F113070 Wholesale of Telecom Instruments.</p> <p>X.F118010 Wholesale of Computer Software.</p> <p>XI.F119010 Wholesale of Electronic Materials.</p> <p>XII.F199990 Other Wholesale Trade.</p> <p>XIII.F299990 Other Retail.</p> <p>XIV.F399990 Others Consolidated Retail.</p> <p>XV.F401010 International Trade.</p> <p>XVI.G801010 Warehousing and Storage.</p> <p>XVII.I103060 Management Consulting Services.</p> <p>XVIII.I301010 Software Design Services.</p> <p>XIX.I301030 Digital Information Supply Services.</p> <p>XX.I501010 Product Designing.</p>	<p>The Company is engaged in the following business:</p> <p>I.CN01010 Furniture and Fixtures Manufacturing.</p> <p>II.E801010 Building Maintenance and Upholstery.</p> <p>III.F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.</p> <p>IV.F111090 Wholesale of Building Materials.</p> <p>V.F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.</p> <p>VI.F211010 Retail Sale of Building Materials.</p> <p>VII.I503010 Landscape and Interior Designing.</p> <p>VIII.F113030 Wholesale of Precision Instruments.</p> <p>IX.F113070 Wholesale of Telecom Instruments.</p> <p>X.F118010 Wholesale of Computer Software.</p> <p>XI.F119010 Wholesale of Electronic Materials.</p> <p>XII.F199990 Other Wholesale Trade.</p> <p>XIII.F299990 Other Retail.</p> <p>XIV.F399990 Others Consolidated Retail.</p> <p>XV.F401010 International Trade.</p> <p>XVI.G801010 Warehousing and Storage.</p> <p>XVII.I103060 Management Consulting Services.</p> <p>XVIII.I301010 Software Design Services.</p> <p>XIX.I301030 Digital Information Supply Services.</p> <p>XX.I501010 Product Designing.</p>	<p>In order to meet the company's business development needs, the business scope was revised.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p><u>XXI.F399040 Retail without stores.</u> XXII.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>XXI.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Chapter 1 Article 3</p>	<p>The Company is headquartered in Taoyuan City. If necessary, the Company may establish domestic or overseas subsidiaries after the resolution from the Board.</p>	<p>The Company is headquartered in Taoyuan City. If necessary, the Company may establish domestic or overseas branch organizations after the resolution from the Board.</p>	<p>Amendments are made to the text in accordance with Article 3 of the Company Act.</p>
<p>Chapter 2 Article 6</p>	<p>The total capital of the Company is NT\$800 million, divided into \$80 million shares with a nominal value of NT\$10 per share. The Board is authorized to issue outstanding shares in installments. <u>Of the abovementioned total capital, NT\$50 million is reserved for the exercise of stock options, such as employee stock options, corporate bonds with stock options, and special stocks with stock options, which may be issued in installments in accordance with the resolution of the Board of Directors.</u></p>	<p>The total capital of the Company is NT\$800 million, divided into \$80 million shares with a nominal value of NT\$10 per share. The Board is authorized to issue outstanding shares in installments.</p>	<p>To meet the Company's operating and development demands, a portion is retained for the issuance of employee stock options.</p>
<p>Chapter 2 Article 7</p>	<p><u>Article 7. The treasury shares bought back by the Company shall be transferred to the employees at a price lower than the actual average price for purchasing the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders meeting who represent a majority of the issued shares of the Company.</u></p>	<p>_____</p>	<p>It is intended to be amended in accordance with Article 10-1 of the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
Chapter 2 Article 8	<u>ARTICLE 8.</u> If the Company intends to issue employee stock options at a stock price lower than the market price, the issuance is subject to the resolution of the general shareholders meeting in accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.	_____	It is intended to be amended in accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
Chapter 2 Article 9	<u>Article 9.</u> The shares of the Company shall be numbered and signed or sealed by the Company's representative as well as attested by the bank that should be the attestor according to the laws before issuance. The shares of the Company shall be issued in non-printed certificates or printed together based on the total amount of shares issued each time, which, however, shall be registered by the centralized securities depository institution.	<u>Article 7.</u> The shares of the Company shall be numbered and signed or sealed by over three directors as well as attested by the competent authority or its certified issuance registration institution before issuance. The shares of the Company shall be issued in non-printed certificates or printed together based on the total amount of shares issued each time, which, however, shall be registered by the centralized securities depository institution.	I. Amended the article number. II. Amendments are made to the text in accordance with Article 162 of the Company Act.
Chapter 2 Article 10	<u>Article 10.</u> Shares shall not be transferred within 60 days prior to the convening of a general shareholders' meeting, or within 30 days prior to the convening date of a general shareholders' meeting, or within 5 days prior to the base day in which the Company decides to distribute dividends, bonus or other benefits.	<u>Article 8.</u> Shares shall not be transferred within 60 days prior to the convening of each general shareholders' meeting, or within 30 days prior to the convening date of a general shareholders' meeting, or within 5 days prior to the base day in which the Company decides to distribute dividends, bonus or other benefits.	I. Amended the article number. II. Amendments are made to the text.
Chapter 3 Article 11	<u>Article 11.</u> Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six	<u>Article 9.</u> Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six	I. Amended the article number. II. Amendments are made to the text in accordance

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>months after the close of each fiscal year. Extraordinary general meetings are convened when necessary.</p> <p>General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements.</p>	<p>months after the close of each business year. Extraordinary general meetings are convened when necessary.</p> <p>General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements.</p> <p><u>Shareholders holding over 1% of the total number of issued shares may submit a written proposal to the Company for discussion at a general shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. The proposals are handled in accordance with the Company Act and relevant regulations.</u></p>	<p>with article 170 of the Company Act.</p> <p>III. This article has been stipulated in the Rules of Procedure for Shareholder Meetings.</p>
<p>Chapter 2 Article 12</p>	<p><u>Article 12.</u> When a shareholder is unable to attend a shareholders' meeting, the shareholder shall appoint a proxy to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights. In addition to the provisions of Article 177 of the Company Law, the measures for appointing proxy by shareholders shall be handled in accordance with the "Regulations</p>	<p><u>Article 10.</u> When a shareholder is unable to attend a shareholders' meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights. In addition to the provisions of Article 177 of the Company Law, the measures for appointing proxy by shareholders shall be handled in</p>	<p>I. Amended the article number. II. Amendments are made to the text.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.	accordance with the requirements of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.	
Chapter 2 Article 13	<u>Article 13.</u> Shareholders are entitled to one vote for each share held, except those restricted or without voting rights in accordance with Article 179 of the Company Act.	<u>Article 11.</u> Shareholders are entitled to one vote for each share held, except those restricted or without voting rights in accordance with Article 179 of the Company Act.	Amended the article number.
Chapter 3 Article 14	<p><u>Article 14.</u> The resolutions of the shareholders meeting shall be attended by shareholders representing more than half of the total number of issued shares, unless otherwise provided by the Company Law, with the consent of more than half of the voting rights of the shareholders present.</p> <p><u>According to the regulations of the competent authority, if the Company adopts an electronic voting system, shareholders shall exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person, and their exercise method should include a notice of the shareholders meeting.</u></p> <p>Resolutions resolved at a shareholders' meeting shall be recorded in the minutes and shall be signed and sealed by the chairman. The preparation and issuance of the minutes shall be handled in accordance with Article 183 of the Company Act.</p>	<p><u>Article 12.</u> The resolutions of the shareholders meeting shall be attended by shareholders representing more than half of the total number of issued shares, unless otherwise provided by the Company Law, with the consent of more than half of the voting rights of the shareholders present.</p> <p>Resolutions resolved at a shareholders' meeting shall be recorded in the minutes and shall be signed and sealed by the chairman or the recording officer. The preparation and issuance of the minutes shall be handled in accordance with Article 183 of the Company Act.</p>	<p>I. Amended the article number.</p> <p>II. Amendments are made to the text in accordance with Article 183 of the Company Act.</p> <p>III. The voting right shall be exercised by electronic means in accordance with the regulations of the competent authority.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
Chapter 4	Directors and <u>Audit Committee</u>	Directors and <u>Supervisors</u>	With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Chapter 4 Article 15	<p><u>Article 15.</u> The Company shall appoint <u>7-9</u> directors, candidates with sufficient capabilities are elected at the shareholders meeting. The tenure is three years and the directors are subject to re-election.</p> <p>Among the aforementioned number of directors, the number of independent directors shall be no less than <u>3</u> and one-fifth of the number of directors. The election of independent directors and directors adopts a candidate nomination system. The shareholders shall elect the directors from the list of candidates. Independent directors and non-independent directors are elected concurrently, in which votes are calculated separately.</p> <p>The professional qualifications of independent directors, restrictions on shareholding and part-time employment, determination of independence, nomination methods and other matters to be complied with shall be handled in accordance with the relevant</p>	<p><u>Article 13.</u> The Company shall appoint <u>5-7</u> directors <u>and 3-5 supervisors</u>, candidates with sufficient capabilities, corporate shareholders, representatives of corporate shareholders are elected at the shareholders meeting. The tenure is three years and the directors are subject to re-election.</p> <p><u>Article 13-1.</u> Among the aforementioned number of directors, the number of independent directors shall be no less than <u>2</u> and one-fifth of the number of directors. The election of independent directors adopts a candidate nomination system. The shareholders shall elect the independent directors from the list of candidates. Independent directors and non-independent directors are elected concurrently, in which votes are calculated separately.</p> <p>The professional qualifications of independent directors, shareholding, restrictions on part-time employment, nomination methods and other matters to be complied with shall be handled in accordance with the relevant regulations of the</p>	<p>I. Amended the article number.</p> <p>II. The number of directors is amended to 7-9. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p> <p>III. Amendments are made to the text in accordance with Article 183 of the Company Act.</p> <p>IV. Amendments are made to the text in accordance with Article 14-2 of the Securities and Exchange Act.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	regulations of the securities competent authority.	securities competent authority.	
Chapter 4 Article 16	<u>Article 16.</u> The chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The vice-chairman is elected depending on actual needs. The chairman represents the Company externally. When the chairman of the Board is on leave or unable to exercise its powers, the proxy shall handle in accordance with Article 208 of the Company Act.	<u>Article 14.</u> The chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The Vice-Chairman is elected depending on actual needs. The chairman represents the Company externally. When the chairman of the Board is on leave or unable to exercise its powers, the proxy shall handle in accordance with Article 208-4 of the Company Act.	I. Amended the article number. II. Amendments are made to the text.
Chapter 4 Article 17	<u>Article 17.</u> The reason for convening the Board meeting shall be stated and notified to the directors 7 days in advance. In case of emergency, however, a board meeting may be convened at any time. The above notice in respect of convening a meeting shall be made in writing, by email, or facsimile.	<u>Article 14-1</u> The reason for convening the Board meeting shall be stated and notified to the directors and supervisors 7 days in advance. In case of emergency, however, a board meeting may be convened at any time. The above notice in respect of convening a meeting shall be made in writing, by email, or facsimile.	I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Chapter 4 Article 18	<u>Article 18.</u> When a director is unable to attend a shareholders' meeting, the director shall appoint other directors to attend the shareholders meeting by issuing a power of attorney and specified its authorized rights of the convening reason. However, the proxy shall be only appointed by one person.	<u>Article 15.</u> When a director is unable to attend a shareholders' meeting, the director shall appoint other directors to attend the meeting according to the laws. However, the proxy shall be only appointed by one person. <u>Directors residing abroad can appoint other domestic shareholders in writing to attend</u>	I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor

Amended articles	Articles after the amendment	Articles before the amendment	Description
		<u>Board meetings on a regular basis. The aforementioned proxy is effective after registration is made to the competent authority; the same applies when the procedures are amended.</u>	are removed accordingly. III. Amendments are made to the text in accordance with Article 205 of the Company Act.
Chapter 4 Article 19	<p><u>Article 19.</u> The Board of Directors is authorized to determine the remuneration of the Company's directors based on their participation in and contribution to the operation of the Company, with reference to the domestic industry standard, regardless of the gain or loss of the Company's business.</p> <p>A director holding a position as an employee shall be remunerated as regular staff.</p> <p>The Company shall purchase liability insurance during the term of office of its directors and key staff in respect of their indemnity liabilities in the scope of performing duties in accordance with the laws.</p>	<p><u>Article 16.</u> The Board of Directors is authorized to determine the remuneration of the Company's directors and supervisor based on their participation in and contribution to the operation of the Company, with reference to the domestic industry standard, regardless of the gain or loss of the Company's business.</p> <p>A director or shareholder holding a position as an employee shall be remunerated as regular staff.</p> <p>The Company shall purchase liability insurance for all directors and supervisors.</p>	I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Chapter 4 Article 20	<p><u>Article 20.</u> The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, the number of which shall be no less than three, one of whom shall be the convener, and at least one of whom shall possess accounting or financial expertise.</p> <p><u>The composition, functions and powers, rules of procedure and</u></p>	<p style="text-align: center;">—</p>	I. Amended the article number. II. This article was added in accordance with the requirements for establishing an audit committee. III. Amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<u>other matters to be complied with by the Company's audit committee shall be handled in accordance with the relevant regulations of the securities competent authority.</u>		are made to the text in accordance with Article 183 of the Company Act.
Chapter 4 Article 21	<u>Article 21. The Company shall establish various functional committees, each of which shall establish rules and regulations for exercising their powers, and shall be implemented after being approved at the Board meeting.</u>	—	I. Amended the article number. II. This article was added in accordance with the requirements for establishing an audit committee.
Chapter 5 Article 22	<u>Article 22.</u> The Company shall appoint numerous managers, whose appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for the Company within the scope of the Articles of Association or the agreed scope of authority.	<u>Article 17.</u> The Company shall appoint numerous managers, whose appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for the Company within the scope of the Articles of Association or the agreed scope of authority.	Amended the article number.
Chapter 6 Article 23	<u>Article 23.</u> The fiscal year of the Company starts on the January 1 and ends on December 31 every year. At the end of each fiscal year, a final account shall be made. The Board of Directors shall compile the following statements in accordance with the Company Act and file to the general shareholders meeting for recognition: I. Business report. II. Financial statements. III. Resolutions related to earnings distribution or loss provision.	<u>Article 18.</u> The fiscal year of the Company starts on the January 1 and ends on December 31 every year. At the end of each fiscal year, a final account shall be made. The Board of Directors shall compile the following statements in accordance with the Company Act and file to the supervisor for review 30 days prior to the general shareholders meeting. The supervisor shall prepare the report and file to the general shareholders meeting for recognition.	I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.

Amended articles	Articles after the amendment	Articles before the amendment	Description
		I. Business report. II. Financial statements. III. Resolutions related to earnings distribution or loss provision.	
Chapter 6 Article 24	<p><u>Article 24.</u> If the Company records a profit for the year, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' remuneration in accordance with the aforementioned amount. Proposals for the distribution of employees' and directors' remuneration shall be submitted to the shareholders meeting.</p> <p>In the case of accumulated loss, the Company shall reserve an indemnity amount, which shall then be allocated to employees' remuneration and directors' remuneration according to the aforementioned ratios.</p>	<p><u>Article 19.</u> If the Company records a profit, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' and supervisors' remuneration in accordance with the aforementioned amount. Proposals for the distribution of employees' remuneration and directors' and supervisors' remuneration shall be reported at the shareholders meeting.</p> <p>In the case of accumulated loss, the Company shall reserve an indemnity amount, which shall then be allocated to employees' remuneration and directors' and supervisors' remuneration according to the aforementioned ratios.</p>	Amended the article number.
Chapter 6 Article 25	<p><u>Article 25.</u> If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached</p>	<p><u>Article 19-1.</u> If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once</p>	Amended the article number.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders.</p> <p>The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.</p>	<p>it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders.</p> <p>The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.</p>	
Chapter 7 Article 26	<u>Article 26.</u> The Company's organization regulations and operation rules shall be otherwise formulated.	<u>Article 20.</u> The Company's organization regulations and operation rules shall be otherwise formulated.	Amended the article number.
Chapter 7 Article 27	<u>Article 27.</u> All matters not specified in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.	<u>Article 21.</u> All matters not specified in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.	Amended the article number.
Chapter 7 Article 28	<p><u>Article 26.</u> The Articles of Association was drawn up on October 3, 1995, (omitted) The 21st amendments were made on June 22, 2017. <u>The 22nd amendments were made on June 17, 2020.</u></p>	<p><u>Article 22.</u> The Articles of Association was drawn up on October 3, 1995, (omitted) The 21st amendments were made on June 22, 2017.</p>	<p>I. Amended the article number. II. Added the date of amendment.</p>

Scan-D Corporation

Rules and Procedures of shareholders meeting

Comparison table of the articles before and after the amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
<p>Article 3 (Convention and Notice of shareholders meeting)</p>	<p>Article 3. (Convention and Notice of shareholders meeting) Unless otherwise required by regulations, the shareholders meeting of the Company is convened by the Board of Directors.</p> <p>The Company shall compile the notice for shareholders meeting, the power of attorney, resolutions to be recognized, resolutions to be discussed and resolution regarding appointment or dismissal of directors in electronic form and deliver them to the Market Observation Post System 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. In addition, the Company shall compile the shareholders meeting Agenda and supplemental information of the meeting in electronic form and deliver them to the Market Observation Post System 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. The Company shall have prepared the shareholders meeting Agenda and supplemental information of the meeting materials 15 days prior to an extraordinary shareholders meeting for the reference of the shareholders at any time. The said materials are displayed at the Company and the professional shareholder services agent</p>	<p>Article 3. (Convention and Notice of shareholders meeting) Unless otherwise required by regulations, the shareholders meeting of the Company is convened by the Board of Directors.</p> <p>The Company shall compile the notice for shareholders meeting, the power of attorney, resolutions to be recognized, resolutions to be discussed and resolution regarding appointment or dismissal of directors and supervisors in electronic form and deliver them to the Market Observation Post System 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. In addition, the Company shall compile the shareholders meeting Agenda and supplemental information of the meeting in electronic form and deliver them to the Market Observation Post System 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. The Company shall have prepared the shareholders meeting Agenda and supplemental information of the meeting materials 15 days prior to an extraordinary shareholders meeting for the reference of the shareholders at any time. The said materials are displayed at the Company and the professional shareholder services agent designated by the Company and</p>	<p>I. Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>designated by the Company and shall be distributed at the shareholders meeting.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and announcement. With the consent of addressees, the meeting notice may be given in electronic form.</p> <p>The election or dismissal of directors, change of the Articles of Association, capital reduction, application for suspension of public issuance, directors' competition license, surplus capital increase, public reserve capital increase, company dissolution, merger, spin-off, or provisions in Article 185-1 shall be stated in the reasons for convening the shareholders meeting along with its main content and shall not be proposed as extempore motions. <u>Its main content shall be placed on the website designated by the securities competent authority or company and its website shall be stated in the notice.</u></p> <p><u>The reasons for convening the shareholders meeting has stated the full re-election of directors and the date of appointment. After the re-election of the shareholders meeting, the appointment date shall not be changed by extempore motions or other means in the same meeting.</u></p> <p>Shareholders who hold more than one percent of the total number of issued shares shall submit a general shareholders meeting resolution to the Company, which is limited to one only. Resolutions beyond the limitation shall not be</p>	<p>shall be distributed at the shareholders meeting.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and announcement. With the consent of addressees, the meeting notice may be given in electronic form.</p> <p>The election or dismissal of directors and supervisors, amendments to the Articles of Association, company dissolution, merger, spin-off, or provisions in Article 185-1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the reasons for convening the shareholders meeting. None of the above matters may be proposed as a extempore motion.</p> <p>Shareholders who hold more than one percent of the total number of issued shares shall propose a general shareholders meeting resolution to the Company in writing. Such resolutions, however, are limited to one only. Resolutions beyond the limitation shall not be</p>	<p>II. Amendments are made in accordance with Article 172-5 of the Company Act.</p> <p>III. This article is added in accordance with the Jingshangzi No. 10702417500 dated August 6, 2018.</p> <p>IV. Relevant texts are amended in accordance with the new amendment to paragraph 1 and the</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>included. However, if the proposed shareholders' resolution is to urge the Company to promote public interest or fulfill its social responsibilities, the Board of Directors shall include it in the agenda. In addition, if the proposed shareholders' resolution fulfills the circumstances mentioned in paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall exclude it from the agenda.</p> <p>Prior to the book closure date before a general shareholders meeting is held, the Company shall announce the accepted resolutions proposed by shareholders, the written and electronic acceptance method, the acceptance location and acceptance period. The acceptance period shall be no less than 10 days.</p> <p>The resolution proposed by shareholders is limited to 300 words. Resolutions exceeding 300 words shall not be included in the agenda. The shareholders proposing a resolution shall attend the general shareholders meeting in person or by proxy, and participate in the resolution discussion.</p> <p>The Company shall, prior to the date of the shareholders meeting notice, inform the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in this Article. The Board of Directors shall explain the reasons for excluding any shareholder resolutions at the shareholders meeting for</p>	<p>included. In addition, if the proposed shareholders' resolution fulfills the circumstances mentioned in paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall exclude it from the agenda.</p> <p>Prior to the book closure date before a general shareholders meeting is held, the Company shall announce the accepted resolutions proposed by shareholders, the acceptance location and acceptance period. The acceptance period shall be no less than 10 days.</p> <p>The resolution proposed by shareholders is limited to 300 words. Resolutions exceeding 300 words shall not be included in the agenda. The shareholders proposing a resolution shall attend the general shareholders meeting in person or by proxy, and participate in the resolution discussion.</p> <p>The Company shall, prior to the date of the shareholders meeting notice, inform the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in this Article. The Board of Directors shall explain the reasons for excluding any shareholder resolutions at the shareholders meeting for resolutions not</p>	<p>newly added paragraph 5 of Article 172-1 of the Company Law.</p> <p>V. Amendments are made in accordance with paragraph 2 of Article 172-1</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	resolutions not included in the agenda.	included in the agenda.	
Article 6 (Preparation of attendance logs and other documents)	<p>Article 6 (Preparation of attendance logs and other documents)</p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The aforementioned time during which shareholder attendance registrations shall be at least 30 minutes before the meeting begins. The registration counter shall be clearly indicated and sufficient amount of staff shall be assigned.</p> <p>Shareholders and their proxies (collectively referred to as "shareholders") shall attend shareholders meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Those seeking the power of attorney shall also bring along their identity document(s) for verification.</p> <p>The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may present an attendance card in lieu of signing on the attendance book.</p> <p>The Company shall provide attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be provided.</p> <p>When the government or a juristic</p>	<p>Article 6 (Preparation of attendance logs and other documents)</p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The aforementioned time during which shareholder attendance registrations shall be at least 30 minutes before the meeting begins. The registration counter shall be clearly indicated and sufficient amount of staff shall be assigned.</p> <p>Shareholders and their proxies (collectively referred to as "shareholders") shall attend shareholders meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Those seeking the power of attorney shall also bring along their identity document(s) for verification.</p> <p>The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may present an attendance card in lieu of signing on the attendance book.</p> <p>The Company shall provide attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be provided.</p> <p>When the government or a juristic</p>	Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p>Article 7 (Chairman of the shareholders meeting and Participants)</p>	<p>Article 7 (Chairman of the shareholders meeting and Participants)</p> <p>When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. In case the chairperson of the Board is on leave or unable to exercise its powers as a chairman, the vice-chairman shall act in place of the chairperson. If the Board has not appointed a vice-chairman or the vice-chairman is also on leave or unable to exercise its powers as a vice-chairman, the chairman shall appoint one of the managing directors to act as the chairman, or, if managing directors have not been appointed, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such an appointment, the managing directors or the directors shall elect one person from among themselves to serve as the chairman.</p> <p>When electing the chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be prioritized. The same shall apply for a representative of a juristic person director that serves as the chairman.</p> <p>The shareholders meeting convened by the Board of Directors shall be presided over</p>	<p>Article 7 (Chairman of the shareholders meeting and Participants)</p> <p>When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. In case the chairperson of the Board is on leave or unable to exercise its powers as a chairman, the vice-chairman shall act in place of the chairperson. If the Board has not appointed a vice-chairman or the vice-chairman is also on leave or unable to exercise its powers as a vice-chairman, the chairman shall appoint one of the managing directors to act as the chairman, or, if managing directors have not been appointed, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such an appointment, the managing directors or the directors shall elect one person from among themselves to serve as the chairman.</p> <p>When electing the chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be prioritized. The same shall apply for a representative of a juristic person director that serves as the chairman.</p> <p>The shareholders meeting convened by the Board of Directors shall be presided over by the Chairman in</p>	<p>Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>by the Chairman in personal and attended by more than half of the Board of Directors and at least one member of each functional committee. The attendance shall be recorded in the shareholders meeting minutes.</p> <p>If a shareholders meeting is convened by a party with the power to convene a meeting other than the Board of Directors, the convening party shall chairman the meeting. When there are two or more convening parties, they shall elect one person from among themselves to serve as the chairman.</p> <p>The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the shareholder's meeting.</p>	<p>personal and attended by more than half of the Board of Directors, at least one supervisor in person, and at least one member of each functional committee. The attendance shall be recorded in the shareholders meeting minutes.</p> <p>If a shareholders meeting is convened by a party with the power to convene a meeting other than the Board of Directors, the convening party shall chairman the meeting. When there are two or more convening parties, they shall elect one person from among themselves to serve as the chairman.</p> <p>The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the shareholder's meeting.</p>	
<p>Article 10 (Resolution Discussion)</p>	<p>Article 10 (Resolution Discussion)</p> <p>If the shareholders meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. Relevant motions (including extempore motions and amendments to original motions) shall be decided on a case-by-case basis. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene a meeting other than the Board of Directors, The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda stated in the preceding two paragraphs (including extempore motions), except by a resolution of the</p>	<p>Article 10 (Resolution Discussion)</p> <p>If the shareholders meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene a meeting other than the Board of Directors, The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda stated in the preceding two paragraphs (including extempore motions), except by a resolution of the</p>	<p>I. Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p> <p>II. To facilitate the full adoption of electronic voting by TWSE/TPE x listed companies from 2018 and adhere to the spirit of voting.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules and procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chairman shall provide sufficient explanation and discussion of resolutions or resolutions of amendments or extempore motions proposed by the shareholders. When the chairman is of the opinion that a resolution has been discussed sufficiently to put it to a vote, the chairman may announce the close of the discussion, call for a vote and arrange sufficient time for the vote.</p>	<p>shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules and procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chairman shall provide sufficient explanation and discussion of resolutions or resolutions of amendments or extempore motions proposed by the shareholders. When the chairman is of the opinion that a resolution has been discussed sufficiently to put it to a vote, the chairman may announce the close of the discussion and call for a vote.</p>	
Article 13	<p>Article 13</p> <p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or deemed non-voting shares under paragraph 2, Article 179 of the Company Act.</p> <p>When the Company convenes a shareholder meeting, voting rights shall be exercised in writing or by electronic means. When voting rights are exercised in writing or by electronic means, the method shall be set out in the shareholders meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to waive his/her rights with</p>	<p>Article 13</p> <p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or deemed non-voting shares under paragraph 2, Article 179 of the Company Act.</p> <p>When the Company convenes a shareholder meeting, voting rights shall be exercised in writing or by electronic means (For companies that shall adopt an electronic ballot under Paragraph 1, Article 177-1 of the Company Act. When the Company convenes a shareholders' meeting, voting rights shall be exercised by electronic means and in writing). When voting rights are exercised in writing or by electronic means, the method shall be set out in the</p>	To facilitate the full adoption of electronic voting by TWSE/TPEX listed companies from 2018 and adhere to the spirit of voting.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>respect to the extempore motions and revisions to the original resolutions of that meeting, the Company shall avoid submission of extempore motions and revision to the original proposals.</p> <p>A shareholder intended to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made, by the same means by which the voting rights were exercised 2 days before the date of the shareholders meeting. For overdue retraction, the voting rights already exercised in writing or by electronic means shall prevail. When a</p>	<p>shareholders meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to waive his/her rights with respect to the extempore motions and revisions to the original resolutions of that meeting, the Company shall avoid submission of extempore motions and revision to the original proposals.</p> <p>A shareholder intended to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made, by the same means by which the voting rights were exercised 2 days before the date of the shareholders meeting. For overdue retraction, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder</p>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal requires the majority voting rights of the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of absent votes, shall be submitted into the Market Observation Post System.</p> <p>When there is an amendment or an alternative to the same proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one of them is passed, other resolutions will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a resolution shall be appointed by the chairman, provided that all</p>	<p>has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal requires the majority voting rights of the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of absent votes, shall be submitted into the Market Observation Post System.</p> <p>When there is an amendment or an alternative to the same proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one of them is passed, other resolutions will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a resolution shall be appointed by the chairman, provided that all monitoring personnel shall</p>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>monitoring personnel shall be shareholders of the Company.</p> <p>Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.</p>	<p>be shareholders of the Company.</p> <p>Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.</p>	
Article 14 (Election)	<p>Article 14 (Election)</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company. The voting results shall be announced immediately, including the names of those elected as directors and the numbers of votes they received.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Article 14 (Election)</p> <p>The election of directors and supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company. The voting results shall be announced immediately, including the names of those elected as directors and supervisors and the numbers of votes they received.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Article 15	<p>Article 15</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman and a copy shall be distributed to each shareholder within 20 days of the meeting. The preparation and distribution of the meeting minutes shall be made by electronic means. The distribution of the meeting minutes described in the preceding paragraph shall be announced by submitting</p>	<p>Article 15</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman and a copy shall be distributed to each shareholder within 20 days of the meeting. The preparation and distribution of the meeting minutes shall be made by electronic means. The distribution of the meeting minutes described in the preceding paragraph shall be announced by submitting to</p>	To facilitate the full adoption of electronic voting by TWSE/TPEX listed companies from 2018 and adhere to the spirit of voting.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>to the Market Observation Post System.</p> <p>The proceedings shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, key points of the meeting, and voting results (including statistical weights). When there is an election of directors, the votes of each candidate shall be disclosed. During the existence of the Company, it should be kept permanently.</p>	<p>the Market Observation Post System.</p> <p>The proceedings shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, key points of the meeting, and voting results. During the existence of the Company, it should be kept permanently.</p>	
Article 16	<p>Article 16 (Public Announcement)</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If the shareholders meeting resolutions involve major information required by regulations or competent authority, the Company shall announce the content on the Market Observation Post System within the prescribed time limit.</p>	<p>Article 16 (Public Announcement)</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If the shareholders meeting resolutions involve major information required by regulations or Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall announce the content on the Market Observation Post System within the prescribed time limit.</p>	Amendments are made to the text
Article 19 (Supplementary Provisions)	<p>Article 19 (Supplementary Provisions)</p> <p>The rules, along with any amendments, shall be implemented after it is resolved by shareholders meetings.</p> <p>The rules were made on March 20, 2000, (omitted)</p> <p>1st amendment was made on May</p>	<p>Article 19 (Supplementary Provisions)</p> <p>The rules, along with any amendments, shall be implemented after it is resolved by shareholders meetings.</p> <p>The rules were made on March 20, 2000, (omitted)</p> <p>1st amendment was made on May</p>	Added the date of amendment.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	10,2002. 2nd amendment was made on June 6,2008. 3rd amendment was made on June 28, 2012. 4th amendment was made on June 13, 2013. 5th amendment was made on June 20, 2018. <u>6th amendment was made on June 17, 2020.</u>	10,2002. 2nd amendment was made on June 6,2008. 3rd amendment was made on June 28, 2012. 4th amendment was made on June 13, 2013. 5th amendment was made on June 20, 2018.	

Scan-D Corporation

Procedures for Election of Directors

Comparison table of the articles before and after the amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
Name of Procedure	Procedures for Election of Directors	Procedures for Election of Directors and Supervisors	With regard to the established an audit committee to replace the supervisor, amendments are made to the name of this procedure.
Article 1	To ensure a just, fair, and open election of directors, the Procedures are formulated pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	To ensure a just, fair, and open election of directors and supervisors, the Procedures are formulated pursuant to Articles 21 and Article 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Article 2	Except otherwise provided by laws and regulations or the Company's Articles of Association, election of the Company's Directors shall be conducted in accordance with these Procedures.	Except otherwise provided by laws and regulations or by the Company's Articles of Association, the election of Directors and Supervisors shall be conducted in accordance with these Procedures.	Establish an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.
Article 3	The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. <u>The composition of the Board of Directors shall be considered in a diversified manner, and appropriate diversification policies shall be formulated regarding its own operation, operational type, and development needs, including but not limited to the following two main aspects:</u> I. <u>Basic conditions and values: gender, age, nationality, and culture.</u> II. <u>Professional knowledge and skills: professional background (such as law,</u>	The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. Each Board member shall possess knowledge, skill, and experience necessary to perform their duties; the abilities required as a whole are as follows: I. Ability to make operational judgments. II. Ability to perform accounting and financial analysis. III. Business management ability. IV. Crisis management ability. V. Knowledge of the industry. VI. International market	I. Amendments are made to paragraph 1 of this Article in accordance with the requirements related to Board of Directors diversification of paragraph 3, Article 20 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p><u>accounting, industry, finance, marketing or technology), professional skills and industry experience.</u></p> <p>Each Board member shall possess knowledge, skill, and experience necessary to perform their duties; the abilities required as a whole are as follows:</p> <p>I. Ability to make operational judgments.</p> <p>II. Ability to perform accounting and financial analysis.</p> <p>III. Business management ability.</p> <p>IV. Crisis management ability.</p> <p>V. Knowledge of the industry.</p> <p>VI. International market perspective.</p> <p>VII. Ability to lead.</p> <p>VIII. Ability to make policy decisions.</p> <p><u>More than half of the directors shall not be a spouse nor a relationship within the second degree of kinship of any other director.</u></p> <p><u>The Company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the results of performance evaluation.</u></p>	<p>perspective.</p> <p>VII. Ability to lead.</p> <p>VIII. Ability to make policy decisions.</p>	<p>II. This paragraph is added in accordance with the requirements related to Board of Directors diversification Article 37 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
		<p><u>Article 4. The supervisor of the Company shall meet the following requirements:</u></p> <p>I. <u>Integrity and a practical attitude.</u></p> <p>II. <u>Impartial judgment.</u></p> <p>III. <u>Professional knowledge.</u></p> <p>IV. <u>Broad experience.</u></p> <p>V. <u>Ability to read financial statements.</u></p> <p><u>In addition to the requirements of the preceding paragraph, at least</u></p>	<p>With regard to the establishment of an audit committee to replace the supervisor, requirements related to the supervisor and this article are removed accordingly.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
		<u>one among the supervisors of the Company must be an accounting or finance professional.</u>	
Article 4	<p><u>Article 4.</u> The qualifications of independent directors of the Company shall be in compliance with the provisions of Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The election of the independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and relevant practices shall be implemented pursuant to Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>	<u>Article 5.</u> The qualifications and election of independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	With reference to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, it is stipulated that the qualifications and election of independent directors shall comply with such regulation and the article number is amended accordingly.
—		<p><u>Article 5-1.</u> The Company 's independent directors shall obtain one of the following professional qualifications and have more than five years of work experience:</p> <p>I. <u>Instructor or above in department of business, legal, finance, accounting or other subjects required for business management at a public or private university or college</u></p> <p>II. <u>Judge, prosecutor, lawyer, accountant, or other professional practice or technician that must pass national examinations and obtain specialized license required for business management.</u></p> <p>III. <u>Work experience necessary for business, legal, finance, accounting, or business management.</u></p> <p><u>Those who meet any of the following circumstances shall not</u></p>	As the regulations for the appointment of independent directors and the matters to be complied have been set out in Article 4, this article is removed.

Amended articles	Articles after the amendment	Articles before the amendment	Description
		<p><u>serve as an independent director, and those who are already serving as an independent director shall be dismissed:</u></p> <p>I. <u>Circumstances mentioned in Article 30 of the Company Act.</u></p> <p>II. <u>Elected as a governmental, juridical person or its representative pursuant to Article 27 of the Company Act.</u></p> <p>III. <u>Violation of the qualifications of independent directors as stipulated by the securities competent authority.</u></p>	
—	—	<p><u>Article 5-2. The independent directors of the Company shall not meet any of the following circumstances during the two years before and during their term of office:</u></p> <p>I. <u>Employed by the Company or its affiliated companies.</u></p> <p>II. <u>A director or supervisor at the Company or its affiliated companies. This does not apply to independent directors of the Company, its parent company, or subsidiary where the company holds, directly and indirectly, more than 50% of the voting shares.</u></p> <p>III. <u>A director, his spouse, minor children holding more than 1% of the Company's total shares, or those holding shares under the name of others or a top 10 shareholder.</u></p> <p>IV. <u>A spouse, relative within the second degree of kinship, or lineal relative within the five-degree kinship of the persons mentioned in the three of the above circumstances.</u></p> <p>V. <u>A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total</u></p>	<p>As the regulations for the appointment of independent directors and the matters to be complied have been set out in Article 4, this article is removed.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
		<p><u>number of issued shares of the Company or a director, supervisor, or employee of a top 5 shareholder.</u></p> <p>VI. <u>A director, supervisor, manager, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.</u></p> <p>VII. <u>A professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.</u></p> <p><u>Independent directors of the Company who have served as independent directors of the company in paragraph 2 or 6 of the preceding paragraph or its affiliated companies or specific companies or institutions with financial or business relationship with the Company have now been terminated, not applicable to the requirements two years prior to the election mentioned in the previous paragraph. The specific company or institution referred to in item 6 of paragraph 1 refers to those having any one the following relationship with the Company:</u></p> <p>I. <u>Holding more than 20% but no more than 50% of the total issued shares of the Company.</u></p> <p>II. <u>Other companies, their directors, supervisors, and shareholders holding more than 10% of the total shares</u></p>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
		<p><u>of the company holding more than 30% of the total issued shares of such company, and the two companies have financial or business relationships.</u> <u>Shares held by the</u> <u> aforementioned persons,</u> <u> including their spouses,</u> <u> minor children, and</u> <u> those who hold the</u> <u> shares under the name of</u> <u> others.</u></p> <p>III. <u>More than 30% of the company's operating income is derived from other companies and their affiliates.</u></p> <p>IV. <u>The company's main product raw materials (referring to those that account for more than 30% of the total purchase amount and essential raw materials necessary for manufacturing products) or major commodities (referring to those that account for more than 30% of total operating income). More than 50% of its quantity or total purchase amount is derived from other companies and their affiliates.</u></p> <p><u>Parent companies and affiliates mentioned in the first and preceding paragraph shall be defined by the regulation prescribed in the Statement of Financial Accounting Standards No.5 and No.7 published by Accounting Research and Development Foundation.</u> <u>The independent directors of the Company shall not serve as independent directors for more than three other public offering companies.</u></p>	
Article 5	Article 5. Elections of the Company's directors shall be	Article 6. The election of directors and supervisors of the Company	I. Amended the article number.

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>conducted in accordance with the candidate nomination system and procedures set out in <u>Article 192-1 of the Company Act</u>. The <u>Company shall review the qualifications, education, working experience and the existence of any other matters set forth in Article 30 of the Company Act with respect to the nominee directors</u>. <u>Additional documents for proof of qualifications shall not be arbitrarily added</u>. <u>The review results shall be provided to the shareholders as reference for electing the competent directors</u>. <u>If the dismissal of a director for any reason results in an insufficient number of directors required for the Company's election, the Company shall re-elect such director at the next shareholders meeting</u>. <u>When the number of directors falls short by one-third of the total number prescribed in the Company's Articles of Association, the Company shall convene an extraordinary shareholders meeting within 60 days from the date of occurrence to re-election the directors</u>. <u>When the number of independent directors falls below that required by paragraph 1, Article 14-2 of the Securities and Exchange Act, a re-election shall be held at the next shareholders meeting</u>. <u>When an independent director is dismissed, an extraordinary general meeting shall be convened within 60 days from the date of occurrence to re-election the director</u>.</p>	<p>shall comply with the Company Act and Securities-related regulations. A candidate nomination system shall be adopted for independent directors.</p>	<p>II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p> <p>III. Amendments are made to this Article pursuant to the requirements of Articles 22 and 42 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regarding the election of directors with a candidate nomination system.</p>
Article 6	<p><u>Article 6</u>. The directors of the Company are elected by a cumulative voting system. Each share corresponds to the voting rights of the number of directors to be elected. One person shall be elected intensively or multiple</p>	<p><u>Article 7</u>. The directors and supervisors of the Company are elected by a cumulative voting system. Each share corresponds to the voting rights of the number of directors or supervisors to be elected. One person shall be</p>	<p>I. Amended the article number.</p> <p>II. With regard to the establishment of an audit committee to</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	people are elected by allocation.	elected intensively or multiple people are elected by allocation.	replace the supervisor, texts related to the supervisor are removed accordingly. III. As the Company adopted a cumulative voting system for the election of directors pursuant to Article 198 of the Company Act, this Article is amended accordingly.
Article 7	<p><u>Article 7.</u> The Board of Directors shall prepare the ballots with the same number as the directors to be elected, add their weights and issue them to the shareholders attending the shareholders meeting. The names of the electors shall be replaced by the attendance certificate codes printed on the ballots.</p> <p><u>In the election of directors of the Company, shareholders may choose to exercise their voting rights by either electronic means or on-site voting.</u></p>	<p><u>Article 8.</u> The Board of Directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	<p>I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p>
Article 8	<p><u>Article 8.</u> The directors of the Company shall calculate the voting rights of independent directors and non-independent directors according to the amount specified in the Articles of Association. Candidates who obtain more votes should win the position of directors. If two or more persons obtain the same number of votes and the number of directors exceeds the specified</p>	<p><u>Article 9.</u> The directors and supervisors of the Company shall calculate the number of candidates to be elected according to the number of candidates to be elected. Candidates who obtain more votes should be elected as independent directors, non-independent directors, and supervisors. If two or more persons obtain the same number of votes and the number of</p>	<p>I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>limit, such persons acquiring the same votes shall draw lots to decide the one to be elected. The chairman shall draw lots on behalf of absent candidates.</p> <p><u>The number of voting rights mentioned in the first paragraph is calculated based on the sum of the voting rights at the shareholders meeting and the voting rights by electronic means.</u></p>	<p>directors exceeds the specified limit, such persons acquiring the same votes shall draw lots to decide the one to be elected. The chairman shall draw lots on behalf of absent candidates.</p>	<p>accordingly.</p>
Article 9	<p><u>Article 9.</u> Before the election begins, the chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes at the shareholders meeting shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.</p>	<p><u>Article 10.</u> Before the election begins, the chairman shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. The vote monitoring and counting personnel shall be a shareholder. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.</p>	<p>I. Amended the article number. II. Amendments are made to the text according to the example of the competent authority</p>
Article 10	<p><u>Article 10.</u> If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p><u>Article 11.</u> If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>I. Amended the article number.</p>
Article 11	<p><u>Article 11.</u> A voting ballot at a shareholders meeting is invalid</p>	<p><u>Article 12.</u> A ballot is invalid under any of the following</p>	<p>I. Amended the article number.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>under any of the following circumstances:</p> <p>I. The ballot was not prepared by the Board of Directors.</p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</p> <p>V. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</p> <p>VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	<p>circumstances:</p> <p>I. The ballot was not prepared by the Board of Directors.</p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</p> <p>V. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</p> <p>VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	
Article 12	<p><u>Article 12.</u> The voting rights shall be calculated on site at a shareholders meeting immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairman on the site.</p> <p><u>The ballots for the election referred to in the preceding</u></p>	<p><u>Article 13.</u> The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and supervisors and the list of which elected, shall be announced by the chairman on the site.</p>	<p>I. Amended the article number.</p> <p>II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p><u>paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p>		<p>accordingly. III. The custody of ballot is added for further explanation.</p>
Article 13	<p><u>Article 13.</u> The Board of Directors of the Company shall issue notifications to the persons elected as directors.</p>	<p><u>Article 14.</u> The Board of Directors of the Company shall issue notifications to the persons elected as directors or supervisors.</p>	<p>I. Amended the article number. II. With regard to the establishment of an audit committee to replace the supervisor, texts related to the supervisor are removed accordingly.</p>
Article 14	<p><u>Article 14.</u> These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures was drawn up on June 15, 2004, (omitted) The 2nd amendments were made on June 6, 2008 <u>The 3rd amendments were made on June 17, 2020</u></p>	<p><u>Article 15.</u> These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures was drawn up on June 15, 2004, (omitted) The 2nd amendments were made on June 6, 2008</p>	<p>I. Amended the article number. II. Added date of amendment</p>

Scan-D Corporation

Articles of Association (Before Amendment)

Chapter 1 General Provisions

- Article 1. The Company is incorporated in accordance with the regulations of the Company Act and registered under the name of SCAN-D CORPORATION.
- Article 2. The Company is engaged in the following business:
- I. CN01010 Furniture and Fixtures Manufacturing.
 - II. E801010 Building Maintenance and Upholstery.
 - III. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.
 - IV. F111090 Wholesale of Building Materials.
 - V. F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.
 - VI. F211010 Retail Sale of Building Materials.
 - VII. I503010 Landscape and Interior Designing.
 - VIII. F113030 Wholesale of Precision Instruments.
 - IX. F113070 Wholesale of Telecom Instruments.
 - X. F118010 Wholesale of Computer Software.
 - XI. F119010 Wholesale of Electronic Materials.
 - XII. F199990 Other Wholesale Trade.
 - XIII. F299990 Other Retail.
 - XIV. F399990 Others Consolidated Retail.
 - XV. F401010 International Trade.
 - XVI. G801010 Warehousing and Storage.
 - XVII. I103060 Management Consulting Services.
 - XVIII. I301010 Software Design Services.
 - XIX. I301030 Digital Information Supply Services.
 - XX. I501010 Product Designing.
 - XXI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company is headquartered in Taoyuan City. If necessary, the Company may establish domestic or overseas branch organizations after the resolution from the Board.
- Article 4. Public announcements of the Company shall be made in accordance

with Article 28 of the Company Act.

Article 5. The Company may re-invest as a shareholder with limited liability of other companies, and the total re-investment amount is not limited by the amount as regulated in Article 13 of the company Act.

Article 5-1. The Company may make guarantees to others for business needs.

Chapter 2 Shares

Article 6. The total capital of the Company is NT\$800 million, divided into \$80 million shares with a nominal value of NT\$10 per share. The Board is authorized to issue outstanding shares in installments.

Article 7. The shares of the Company shall be numbered and signed or sealed by over three directors as well as attested by the competent authority or its certified issuance registration institution before issuance.
The shares of the Company shall be issued in non-printed certificates or printed together based on the total amount of shares issued each time, which, however, shall be registered by the centralized securities depository institution.

Article 8. Shares shall not be transferred within 60 days prior to the convening of each general shareholders' meeting, or within 30 days prior to the convening date of a general shareholders' meeting, or within 5 days prior to the base day in which the Company decides to distribute dividends, bonus or other benefits.

Chapter 3 Shareholder Meetings

Article 9. Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six months after the close of each business year. Extraordinary general meetings are convened when necessary.

General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements.

Shareholders holding over 1% of the total number of issued shares may submit a written proposal to the Company for discussion at a general shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in

the meeting agenda. The proposals are handled in accordance with the Company Act and relevant regulations.

- Article 10. When a shareholder is unable to attend a shareholders' meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights. In addition to the provisions of Article 177 of the Company Law, the measures for appointing proxy by shareholders shall be handled in accordance with the requirements of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.
- Article 11. Shareholders are entitled to one vote for each share held, except those restricted or without voting rights in accordance with Article 179 of the Company Act.
- Article 12. The resolutions of the shareholders meeting shall be attended by shareholders representing more than half of the total number of issued shares, unless otherwise provided by the Company Law, with the consent of more than half of the voting rights of the shareholders present.
Resolutions resolved at a shareholders' meeting shall be recorded in the minutes and shall be signed and sealed by the chairman or the recording officer. The preparation and issuance of the minutes shall be handled in accordance with Article 183 of the Company Act.

Chapter 4: Directors and Supervisors

- Article 13. The Company shall appoint 5-7 directors and 3-5 supervisors, candidates with sufficient capabilities, corporate shareholders, representatives of corporate shareholders are elected at the shareholders meeting. The tenure is three years and the directors are subject to re-election.
- Article 13-1. Among the aforementioned number of directors, the number of independent directors shall be no less than 2 and one-fifth of the number of directors. The election of independent directors adopts a candidate nomination system. The shareholders shall elect the independent directors from the list of candidates. Independent directors and non-independent directors are elected concurrently, in which votes are calculated separately.
The professional qualifications of independent directors, shareholding, restrictions on part-time employment, nomination methods and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities competent authority.

Article 14. The chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The Vice-Chairman is elected depending on actual needs. The chairman represents the Company externally. When the chairman of the Board is on leave or unable to exercise its powers, the proxy shall handle in accordance with Article 208-4 of the Company Act.

Article 14-1. The reason for convening the Board meeting shall be stated and notified to the directors and supervisors 7 days in advance. In case of emergency, however, a board meeting may be convened at any time. The above notice in respect of convening a meeting shall be made in writing, by email, or facsimile.

Article 15. When a director is unable to attend a shareholders' meeting, the director shall appoint other directors to attend the meeting according to the laws. However, the proxy shall be only appointed by one person. Directors residing abroad can appoint other domestic shareholders in writing to attend Board meetings on a regular basis. The aforementioned proxy is effective after registration is made to the competent authority; the same applies when the procedures are amended.

Article 16. The Board of Directors is authorized to determine the remuneration of the Company's directors and supervisor based on their participation in and contribution to the operation of the Company, with reference to the domestic industry standard, regardless of the gain or loss of the Company's business.
A director or shareholder holding a position as an employee shall be remunerated as regular staff.
The Company shall purchase liability insurance for all directors and supervisors.

Chapter 5 Managers

Article 17. The Company shall appoint numerous managers, whose appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for the Company within the scope of the Articles of Association or the agreed scope of authority.

Chapter 6 Accounting

Article 18. The fiscal year of the Company starts on the January 1 and ends on December 31 every year. At the end of each fiscal year, a final account

shall be made. The Board of Directors shall compile the following statements in accordance with the Company Act and file to the supervisor for review 30 days prior to the general shareholders meeting. The supervisor shall prepare the report and file to the general shareholders meeting for recognition:

- I. Business report.
- II. Financial statements.
- III. Resolutions related to earnings distribution or loss provision.

Article 19. If the Company records a profit, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' and supervisors' remuneration in accordance with the aforementioned amount. Proposals for the distribution of employees' remuneration and directors' and supervisors' remuneration shall be reported at the shareholders meeting. In the case of accumulated loss, the Company shall reserve an indemnity amount, which shall then be allocated to employees' remuneration and directors' and supervisors' remuneration according to the aforementioned ratios.

Article 19-1. If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders. The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.

Chapter 7 Supplemental Provisions

Article 20. The Company's organization regulations and operation rules shall be otherwise formulated.

Article 21. All matters not specified in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.

Article 22. The Articles of Association was drawn up on October 3, 1995, (omitted)
The 21st amendments were made on June 22, 2017.

Scan-D Corporation

Rules and Procedures of shareholders meeting (Before Amendment)

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Association, shall be as provided in these Rules.

Article 3 (Convention and Notice of shareholders meeting)

Unless otherwise required by regulations, the shareholders meeting of the Company is convened by the Board of Directors.

The Company shall compile the notice for shareholders meeting, the power of attorney, resolutions to be recognized, resolutions to be discussed and resolution regarding appointment or dismissal of directors and supervisors in electronic form and deliver them to the Market Observation Post System 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. In addition, the Company shall compile the shareholders meeting Agenda and supplemental information of the meeting in electronic form and deliver them to the Market Observation Post System 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. The Company shall have prepared the shareholders meeting Agenda and supplemental information of the meeting materials 15 days prior to an extraordinary shareholders meeting for the reference of the shareholders at any time. The said materials are displayed at the Company and the professional shareholder services agent designated by the Company and shall be distributed at the shareholders meeting.

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

The election or dismissal of directors and supervisors, amendments to the Articles of Association, company dissolution, merger, spin-off, or provisions in Article 185-1 of the Company Act, Articles 26-1 and 43-6 of the Securities and

Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the reasons for convening the shareholders meeting. None of the above matters may be proposed as a extempore motion.

Shareholders who hold more than one percent of the total number of issued shares shall propose a general shareholders meeting resolution to the Company in writing. Such resolutions, however, are limited to one only. Resolutions beyond the limitation shall not be included. In addition, if the proposed shareholders' resolution fulfills the circumstances mentioned in paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall exclude it from the agenda.

Prior to the book closure date before a general shareholders meeting is held, the Company shall announce the accepted resolutions proposed by shareholders, the acceptance location and acceptance period. The acceptance period shall be no less than 10 days.

The resolution proposed by shareholders is limited to 300 words. Resolutions exceeding 300 words shall not be included in the agenda. The shareholders proposing a resolution shall attend the general shareholders meeting in person or by proxy, and participate in the resolution discussion.

The Company shall, prior to the date of the shareholders meeting notice, inform the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in this Article. The Board of Directors shall explain the reasons for excluding any shareholder resolutions at the shareholders meeting for resolutions not included in the agenda.

Article 4

For each shareholders meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the date of the shareholders meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, provided that this does not apply to a declaration made to cancel the previous proxy appointment.

After the delivery of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by electronic means, a proxy rescission notice shall be filed to the Company 2 days in writing prior to the date of the shareholders meeting as scheduled in the shareholders meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles determining time and place of shareholders meeting)

The venue where a shareholder meeting is held shall be the premises of this Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent directors shall be fully taken into consideration for the location and time of a shareholder meeting.

Article 6 (Preparation of attendance logs and other documents)

The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The aforementioned time during which shareholder attendance registrations shall be at least 30 minutes before the meeting begins. The registration counter shall be clearly indicated and sufficient amount of staff shall be assigned.

Shareholders and their proxies (collectively referred to as "shareholders") shall attend shareholders meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Those seeking the power of attorney shall also bring along their identity document(s) for verification.

The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may present an attendance card in lieu of signing on the attendance book.

The Company shall provide attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be provided.

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

Article 7 (Chairman of the shareholders meeting and Participants)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. In case the chairperson of the Board is on leave or unable to exercise its powers as a chairman, the vice-chairman shall act in place of the chairperson. If the Board has not appointed a vice-chairman or the vice-chairman is also on leave or unable to exercise its powers as a vice-chairman, the chairman shall appoint one of the managing directors to act as the chairman, or, if managing directors have not been appointed, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such an appointment, the managing directors or the directors shall elect one person from among themselves to serve as the

chairman.

When electing the chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be prioritized. The same shall apply for a representative of a juristic person director that serves as the chairman.

The shareholders meeting convened by the Board of Directors shall be presided over by the Chairman in person and attended by more than half of the Board of Directors, at least one supervisor in person, and at least one member of each functional committee. The attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with the power to convene a meeting other than the Board of Directors, the convening party shall chairman the meeting. When there are two or more convening parties, they shall elect one person from among themselves to serve as the chairman.

The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the shareholder's meeting.

Article 8 (Documentation of shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised in writing or by electronic means.

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

If the quorum is not met after two postponements as referred to in the preceding

paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

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

Article 10 (Resolution Discussion)

If the shareholders meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene a meeting other than the Board of Directors,

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

The chairman shall provide sufficient explanation and discussion of resolutions or resolutions of amendments or extempore motions proposed by the shareholders. When the chairman is of the opinion that a resolution has been discussed sufficiently to put it to a vote, the chairman may announce the close of the discussion and call for a vote.

Article 11 (Shareholders' speech)

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

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

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

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

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

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

Article 12 (Calculation of voting shares and recusal system)

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

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

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

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

Article 13

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

When the Company convenes a shareholder meeting, voting rights shall be exercised in writing or by electronic means (For companies that shall adopt an electronic ballot under Paragraph 1, Article 177-1 of the Company Act. When the Company convenes a shareholders' meeting, voting rights shall be exercised by electronic means and in writing). When voting rights are exercised in writing or by electronic means, the method shall be set out in the shareholders meeting

notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to waive his/her rights with respect to the extempore motions and revisions to the original resolutions of that meeting, the Company shall avoid submission of extempore motions and revision to the original proposals.

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

After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made, by the same means by which the voting rights were exercised 2 days before the date of the shareholders meeting. For overdue retraction, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal requires the majority voting rights of the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of absent votes, shall be submitted into the Market Observation Post System.

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

Vote monitoring and counting personnel for the voting on a resolution shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.

Article 14 (Election)

The election of directors and supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company. The voting results shall be announced immediately, including the names of those elected as directors and supervisors and the numbers of votes they received.

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

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman and a copy shall be distributed to each shareholder within 20 days of the meeting. The preparation and distribution of the meeting minutes shall be made by electronic means.

The distribution of the meeting minutes described in the preceding paragraph shall be announced by submitting to the Market Observation Post System.

The proceedings shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, key points of the meeting, and voting results. During the existence of the Company, it should be kept permanently.

Article 16 (Public Announcement)

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

If the shareholders meeting resolutions involve major information required by regulations or Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall announce the content on the Market Observation Post System within the prescribed time limit.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

Article 18 (Recess and resumption of a shareholders meeting)

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

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

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

Article 19 (Supplementary Provisions)

The rules, along with any amendments, shall be implemented after it is resolved by shareholders meetings.

The rules were made on March 20, 2000. (Omitted).

1st amendment was made on May 10, 2002.

2nd amendment was made on June 6, 2008.

3rd amendment was made on June 28, 2012.

4th amendment was made on June 13, 2013.

5th amendment was made on June 20, 2018.

Scan-D Corporation

Procedures for Election of Directors and Supervisors (Before Amendments)

- Article 1. To ensure a just, fair, and open election of directors and supervisors, the Procedures are formulated pursuant to Articles 21 and Article 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2. Except otherwise provided by laws and regulations or the Company's Articles of Association, the election of the Company's Directors shall be conducted in accordance with these Procedures.
- Article 3. The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. Each Board member shall possess knowledge, skill, and experience necessary to perform their duties; the abilities required as a whole are as follows:
- I. Ability to make operational judgments.
 - II. Ability to perform accounting and financial analysis.
 - III. Business management ability.
 - IV. Crisis management ability.
 - V. Knowledge of the industry.
 - VI. International market perspective.
 - VII. Ability to lead.
 - VIII. Ability to make policy decisions.
- Article 4. The supervisor of the Company shall meet the following requirements:
- I. Integrity and a practical attitude.
 - II. Impartial judgment.
 - III. Professional knowledge.
 - IV. Broad experience.
 - V. Ability to read financial statements.
- In addition to the requirements of the preceding paragraph, at least one among the supervisors of the Company must be an accounting or finance professional.
- Article 5. The qualifications and election of independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 5-1. The Company's independent directors shall obtain one of the following professional qualifications and have more than five years of work experience:
- I. Instructor or above in department of business, legal, finance, accounting or other subjects required for business management at a public or private university or college

- II. Judge, prosecutor, lawyer, accountant, or other professional practice or technician that must pass national examinations and obtain specialized license required for business management.
- III. Work experience necessary for business, legal, finance, accounting, or business management.

Those who meet any of the following circumstances shall not serve as an independent director, and those who are already serving as an independent director shall be dismissed:

- I. Circumstances mentioned in Article 30 of the Company Act.
- II. Elected as a governmental, juridical person or its representative pursuant to Article 27 of the Company Act.
- III. Violation of the qualifications of independent directors as stipulated by the securities competent authority.

Article 5-2. The independent directors of the Company shall not meet any of the following circumstances during the two years before and during their term of office:

- I. Employed by the Company or its affiliated companies.
- II. A director or supervisor at the Company or its affiliated companies. This does not apply to independent directors of the Company, its parent company, or subsidiary where the company holds, directly and indirectly, more than 50% of the voting shares.
- III. A director, his spouse, minor children holding more than 1% of the Company's total shares, or those holding shares under the name of others or a top 10 shareholder.
- IV. A spouse, relative within the second degree of kinship, or lineal relative within the five-degree kinship of the persons mentioned in the three of the above circumstances.
- V. A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or a director, supervisor, or employee of a top 5 shareholder.
- VI. A director, supervisor, manager, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
- VII. A professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.

Independent directors of the Company who have served as independent directors of the company in paragraph 2 or 6 of the preceding paragraph or its affiliated companies or specific companies or institutions with financial or business relationship with the Company have now been terminated, not applicable to the requirements two years prior to the election mentioned in the previous paragraph. The specific company or institution referred to in item 6 of paragraph 1 refers to those having any one the following relationship with the Company:

- I. Holding more than 20% but no more than 50% of the total issued shares of the Company.
- II. Other companies, their directors, supervisors, and shareholders holding more than 10% of the total shares of the company holding more than 30% of the total issued

shares of such company, and the two companies have financial or business relationships.

Shares held by the aforementioned persons, including their spouses, minor children, and those who hold the shares under the name of others.

III. More than 30% of the company's operating income is derived from other companies and their affiliates.

IV. The company's main product raw materials (referring to those that account for more than 30% of the total purchase amount and essential raw materials necessary for manufacturing products) or major commodities (referring to those that account for more than 30% of total operating income). More than 50% of its quantity or total purchase amount is derived from other companies and their affiliates.

Parent companies and affiliates mentioned in the first and preceding paragraph shall be defined by the regulation prescribed in the Statement of Financial Accounting Standards No.5 and No.7 published by Accounting Research and Development Foundation.

The independent directors of the Company shall not serve as independent directors for more than three other public offering companies.

Article 6. The election of directors and supervisors of the Company shall comply with the Company Act and Securities-related regulations. A candidate nomination system shall be adopted for independent directors.

Article 7. The directors and supervisors of the Company are elected by a cumulative voting system. Each share corresponds to the voting rights of the number of directors or supervisors to be elected. One person shall be elected intensively or multiple people are elected by allocation.

Article 8. The Board of Directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9. The directors and supervisors of the Company shall calculate the number of candidates to be elected according to the number of candidates to be that should be elected. Candidates who obtain more votes should be elected as independent directors, non-independent directors, and supervisors. If two or more persons obtain the same number of votes and the number of directors exceeds the specified limit, such persons acquiring the same votes shall draw lots to decide the one to be elected. The chairman shall draw lots on behalf of absent candidates.

Article 10. Before the election begins, the chairman shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. The vote monitoring and counting personnel shall be a shareholder. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11. If a candidate is a shareholder, a voter must enter the candidate's account name and

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

Article 12. A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by the Board of Directors.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
- V. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and supervisors and the list of which elected, shall be announced by the chairman on the site.

Article 14. The Board of Directors of the Company shall issue notifications to the persons elected as directors or supervisors.

Article 15. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures was drawn up on June 15, 2004, (omitted) The 2nd amendments were made on June 6, 2008

Scan-D Corporation

Shareholding of Directors and Supervisors

(Information as of the closing date of share transfer on April 19, 2020)

Title	Name	Representative	Number of Shares Held	Share Holding %
Chairman	NOBLE LINK MANAGEMENT LTD.	Lim, Pok-Chin	15,049,125	32.62%
Director	Neo, Khay-Pin		0	0.00%
Director	Lim, Jie-Ren		0	0.00%
Independent Director	Chen, Chung-Cheng		0	0.00%
Independent Director	Wang, Chia-Cheng		83,525	0.18%
Total			15,132,650	32.80%

Title	Name	Representative	Number of Shares Held	Share Holding %
Supervisor	Wang, I-Yao		233,118	0.51%
Supervisor	Lee, Shin-Mo		38,000	0.08%
Supervisor	Liu, Chih-Hung		40,000	0.09%
Total			311,118	0.68%

1. The current paid-in capital of the Company is NT\$461,332,270, and the number of issued shares is 46,133,227 shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum shareholding of all directors and supervisors is 3,690,658 shares and 369,066 shares. (Note)
3. As of the closing date of the share transfer at the general shareholders meeting in 2020, shareholding if individual and all directors and supervisors recorded in the shareholder's register is the same as described above.

Note: According to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if two or more independent directors are to be elected, the shareholding of all directors and supervisors other than the independent directors calculated at the rates set forth in the preceding paragraph shall be decreased to 80%.

Scan-D Corporation

The effect of dividend distributions on the Company's operating performance, earnings per share, and return on equity

Unit: Except for earnings per share expressed in dollar, the remainings are NT\$ and %

Item	Year	2020 (estimate)	
Paid-in capital at the beginning of the period		NT\$461,332,270	
Distribution of dividends for the year (Note 1)	Cash dividends per share (dollar)	1.8 dollar	
	Surplus to capital increase share dividend per share	0 share	
	Capital increase by capital reserve to share dividend per share	0 share	
Change in operating performance	Operating Profit	Not applicable, as the Company did not disclose financial forecast information in 2020.	
	Increase and decrease ratio of net operating profit compared to the same period of last year		
	Net profit before tax		
	Increase and decrease ratio of net profit compared to the same period of last year		
	Earnings per share		
	Increase and decrease ratio of earnings per share compared to the same period of last year		
	Average annual return on investment (annual average PE ratio)		
Pro forma earnings per share and P/E ratio	If capital increase by earnings is replaced by cash dividend distribution		Pro forma earnings per share
			Pro forma average annual rate of return
	If capital reserve is not used for capital increase		Pro forma earnings per share
			Pro forma average annual rate of return
	If capital increase by capital reserve has not yet been undertaken and capital increase by earnings is replaced by cash dividend distribution		Pro forma earnings per share
			Pro forma average annual rate of return

Note 1: Pending resolution at the 2020 general shareholders meeting.



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