

Stock Code : 2250



第一化成控股（開曼）股份有限公司
IKKA HOLDINGS(CAYMAN) LIMITED

2023 General Shareholders' Meeting Meeting Handbook

June 30, 2023

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I. Meeting Procedures

1. Commencement of the Meeting
2. Chairman's Report
3. Matters to Report
4. Matters for Recognition
5. Matters for Discussion
6. Matters for Election
7. Other Matters
8. Ad Hoc Motions
9. Meeting Adjournment

II. Meeting Agenda

IKKA HOLDINGS (CAYMAN) LIMITED

第一化成控股（開曼）股份有限公司

2023 Annual Shareholders Meeting Agenda

Date: Friday, 10:00 am on June 30, 2023

Venue: 15F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City

1. Chairman's Report Attendance/Commencement of the Meeting

2. Chairman's Report

3. Matters to Report

- (i) 2022 operation and business report.
- (ii) 2022 audit committee's audit report.
- (iii) 2022 remuneration to directors and employees.
- (iv) The Company's earnings distribution for year 2022.
- (v) The execution of the treasury shares repurchase.
- (vi) The amendments to "Principles of Practice for Sustainable Development" of the Company.
- (vii) The amendments to "Corporate Governance Best Practice Principles" of the Company.

4. Matters for Recognition

- (i) The Company's operational and business report and consolidated financial statements for year 2022.
- (ii) The Company's earnings distribution table for year 2022.

5. Matters for Discussion

The amendments to "Articles of Association" of the Company.

6. Matters for Election

Propose to elect six directors and three independent directors of the Company for the third session of the board of directors.

7. Other Matters

Propose to lift restriction on non-competition for the newly elected directors of the third session of the board of directors.

8. Ad Hoc Motions

9. Meeting Adjournment

III. Matters to Report

Report No.1

Case: 2022 Operation and Business Report.

Explanation:

- (i) Please refer to Exhibit 1 (p9) for the 2022 operation and business report of the Company.
- (ii) Please review and approve.

Report No.2

Case: 2022 Audit Committee's Audit Report.

Explanation:

The 2022 Audit Committee audited final accounts table and the Audits Report is as follows:

Audit Committee's Audit Report

The Board of Directors present the Company's operation and business report, consolidated financial statements, and the earnings distribution statement for 2022. The financial statement is audited by certified accountants Man-Yu Ruan-Lu and Yi-Tai Tsai of the PwC Taiwan appointed by the Board of Directors, and issued an audit report.

The above-mentioned operation and business report, the consolidated financial statements, and the earnings distribution statement have been audited by this audit committee and found no discrepancy. The report is prepared in accordance with

Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.
Please review and approve.

Your Sincerely,

2023 Annual Shareholders Meeting of IKKA HOLDINGS (CAYMAN) LIMITED

IKKA HOLDINGS (CAYMAN) LIMITED

Audit Committee Convenor: Chen, Wei-Yue

March 21, 2023

Report No.3

Case: 2022 Remuneration to Directors and Employees

Explanation:

- (i) In accordance with Article 34.1 of the Company's Amended and Restated Memorandum and Articles of Association (the "Articles of Association"), the distribution of employee's remuneration should be no less than 8% and no more than 15% of the pre-tax net profit, if any, before deducting employee's and Director's remuneration in the current year; the Directors' remuneration shall be distributed at no more than 5% of the pre-tax net profit before deducting employees' and Directors' remuneration in the current year.
- (ii) The Company's pre-tax net profit before deducting the employee's and Director's remuneration for 2022 is NT\$131,218,925. According to the Company's Articles of Association, the employee's remuneration for 2022 is

NT\$13,121,893 (10%), and the Director's remuneration is NT\$3,280,473 (2.5%), both of which are paid in cash.

Report No.4

Case: The Company's earnings distribution for year 2022

Explanation:

- (i) The net income after tax for 2022 year is NTD 97,767,100. Undistributed earnings amount to NTD 445,383,241, and after gaining the adjustment to special reserve for deduction of shareholders' equity of NTD 15,650,058, the distributable earnings for the period amount to NTD 558,800,399. It is proposed to distribute cash dividends to shareholders at NTD 3.00 per share based on the earnings. Please refer to Exhibit 3 for the Earnings Distribution Table (p21).
- (ii) After the Board of Directors approves this earnings distribution proposal, the chairman is authorized to set another interest distribution base date, payment date, and other related matters.
- (iii) This earnings distribution proposal is before the interest distribution base date. If the dividend distribution rate of shareholders changes due to factors such as the Company's buying back its shares, the transfer and cancellation of treasury shares, the conversion of convertible corporate bonds, the exercise of employees' stock options, and the issuance of new shares, it is proposed to authorize the Chairman to handle it with full authority.
- (iv) According to Article 34.10 of the Company's Articles of Association, this report shall be implemented after the resolution of the Board of Directors is passed with more than two-thirds of the directors present and consent of more

than half of the directors present, and shall be reported to the Shareholders Meeting.

Report No.5

Case: The execution of the treasury shares repurchase.

Explanation:

Please refer to Exhibit 4(p22).

Report No.6

Case: The Amendments to “Principles of Practice for Sustainable Development” of the Company.

Explanation:

Amended in accordance with Taiwan Stock Exchange Corporation's letter Tai Zheng Zhi Li Zi No. 11100243661 dated December 23, 2022. Please refer to Exhibit 5 (p23).

Report No.7

Case: The Amendments to “Corporate Governance Best Practice Principles” of the Company.

Explanation:

Amended in accordance with Taiwan Stock Exchange Corporation's letter Tai Zheng Zhi Li Zi No. 11100243661 dated December 23, 2022. Please refer to Exhibit 6 (p24).

IV. Matters for Recognition

Proposal No.1 (Proposed by the Board)

Proposal: The Company’s Operational and Business Report and Consolidated Financial Statements for 2022.

Explanation:

- (i) The consolidated financial statements of the Company and its subsidiaries for the year 2022 were duly audited by the certified accountants Man-Yu Ruan-Lu and Yi-Tai Tsai of the PwC Taiwan, with an unmodified opinion report.
- (ii) The Audit Committee audited the above-mentioned financial statements and the operational and business report, and a written audit opinion report was issued for the record.
- (iii) For the reports mentioned above, please see Exhibit 1, 2 (p9-11.p12-20)

Resolution:

Proposal No.2 (Proposed by the Board)

Proposal: The Company's Earnings Distribution Schedule for Year 2022.

Explanation:

- (i) The net income after tax for the year was NT\$97,767,100, plus NT\$445,383,241 of undistributed earnings from prior years. After gaining the adjustment to special reserve for deduction of shareholders' equity of NT\$15,650,058, the distributable earnings for the year were NT\$558,800,399. A cash dividend of NT\$3.00 per share is proposed to be distributed to shareholders from the earnings. Please refer to Exhibit 3 (p21.).
- (ii) After the Board of Directors approves this earnings distribution proposal, the Chairman is authorized to set another interest distribution base date, payment date, and other related matters.
- (iii) This earnings distribution proposal is before the interest distribution base date. If the dividend distribution rate of shareholders changes due to factors such as the Company's buying back its shares, the transfer and cancellation of treasury shares, the conversion of convertible corporate bonds, the exercise of employees' stock

options, and the issuance of new shares, it is proposed to authorize the Chairman to handle it with full authority.

Resolution:

V. Matters for Discussion

Proposal (Proposed by the Board)

Proposal: The Amendments to the “Articles of Association” of the Company.

Explanation:

Proposed to amend the “Articles of Association” of the Company in accordance with “Checklist for the Protection of Shareholders’ Rights and Interests in the Country of Registration of Foreign Issuers” of Taiwan Stock Exchange Corporation's letter Tai Zheng Shang Er Zi No. 11117043011 dated January 9, 2023. Please refer to Exhibit 7 (p26.) for the revised comparison table.

Resolution:

VI. Matters for Election

Proposal: Election of 6 directors and 3 independent directors for the third term (Proposed by the Board)

Explanation:

- (i) In the second term, the Company has a total of 9 serving directors (including 3 independent directors), with a term from March 20, 2020 to March 19, 2023, lasting for three years. The current directors' term has expired and no election of new directors is effected after the expiration. According to Article 195 (2) of the Company Act, their tenure will be extended until the new directors are elected and assume office.
- (ii) It is proposed to elect 6 directors and 3 independent directors for the third term of the board of directors. The newly elected directors will assume office from the date of election and their term is expected to be from June 30, 2023 to June 29,

2026, lasting for three years. The tenure of the current serving directors will end after the new directors assume office.

(iii) In accordance with the Articles of Association, the election of directors follows a candidate nomination system. The list of candidates has been reviewed and approved by the Company's board of directors, and shareholders are required to elect directors from the list of nominated candidates. Please refer to Exhibit 7 (p32.) for more information.

(iv) Request for election.

Result of the election:

VII. Other Matters

Proposal: Propose to lift restriction on non-competition for the newly elected directors of the third session of the board of directors (Proposed by the Board).

Explanation:

- (i) According to Article 209 of the Company Act and Articles 14.2, 17.5, and 30.4 of the Company's Articles of Association, 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 shareholders' meeting the essential contents of such an act and secure its approval.
- (ii) Considering the business needs and to seek the assistance from the expertise and relevant experience of the directors, it is proposed for the approval of the shareholders' meeting to lift the restriction on non-competition for the newly

elected directors of the third term. Please refer to Exhibit 9 (p33) for more information.

(iii) Resolution:

VIII. Ad Hoc Motions

IX. Meeting Adjournment

X. Exhibits

【Exhibit 1】 Operation and Business Report



第一化成控股（開曼）股份有限公司
IKKA HOLDINGS (CAYMAN) LIMITED

Operation and Business Report

1. Operational Results for Y2022

(a) Business plan implementation results:

(In Thousands of New Taiwan Dollars)

Item	Y2022	Y2021	Amount Change	Percentage Change (%)
Operating Income	3,618,633	4,276,873	(658,240)	-15%
Gross Profit	607,068	758,292	(151,224)	-20%
Net Income (After tax)	118,343	191,322	(72,979)	-38%

(b) Budget implementation: In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company is not required to disclose financial information for Y2022 and is therefore not applicable.

(c) Analysis of Financial Results and Profitability:

Item		Y2022	Y2021
Financial Structure (%)	Debt to Assets Ratio (%)	53%	56%
	Ratio of Long-term Capital to Fixed Assets (%)	284%	281%
Solvency (%)	Current Ratio (%)	186%	178%
	Quick Ratio (%)	138%	136%
Profitability (%)	Return on Assets (%)	3.44%	5.51%
	Return on Stockholders' Equity (%)	7.17%	13.65%
	Profit Margin (%)	3.27%	4.47%
	Basic Earnings per Share	4.06	7.19

- (d) Our Japanese factory was established in 1963 and has worked in the field of precision plastic injection molding for 60 years. Over the years, we have continued developing and refining our technologies in plastic injection molding, gear module assembly, product measurement and evaluation, and process improvement. With the decreasing cost of parts in recent years, the market demand for compound molding is growing rapidly. To meet this demand, the need for production equipment to switch from horizontal to vertical molding machines is also increasing. The Company has gradually introduced vertical molding machine to build a production system to fulfill market demand. To continue to produce injection molding products with higher precision and a larger variety, our company continues to conduct research and development in the production process of high-performance materials, molds, automated processes, and gear modules, in the automobile and housing industries, combining this with the Company Group's technological skills to meet customer demands.

Research and Development Expenses for the Last Two Years

(In Thousands of New Taiwan Dollars)

Year Item	2022	2021
R&D Expenses (A)	41,623	45,783
Operating Income (B)	3,618,633	4,276,873
(A)/(B)	1.15%	1.07%

2. Outline of Y2023 Business Plan

(a) Operation Plan:

- (1) The Company maintains close partnerships with first-tier suppliers and continues to collaborate with them in the development and design of various products in response

to the future trend of electrification, electronics, automation, and light weighting in the automotive industry.

- (2) Continue to deepen and develop product cooperation projects and actively compete for orders.
- (3) Strengthen the management efficiency of the factory, optimize the production process and production technology to reduce costs and improve production yields.
- (4) Continue to introduce operational automation to reduce labor requirements.
- (5) The Company will continue to develop towards continuous integration in line with the electric car development trend. In the future, the Company will utilize its industrial relationship to bring Taiwan's outstanding resources in optics and electronic modules (e.g., optical modules for Driver Monitoring System (DMS)) to the Company's existing Japanese customers, allowing the Company to create new added value for customers and expand new business opportunities in automotive electronics as electric vehicle development progresses.

(b) Expected Sales Volume and its Basis:

The Company will maintain good relationships with customers for joint development and continue to create a profit-sharing sales model in the automotive parts and components business and the home appliance parts business while cultivating the Japanese customer market and expanding the development of new energy vehicles and smart home appliances. The Company will also strengthen the production process to enhance the competitive advantage in the market. The Company expects stable growth in sales, annual revenue and profitability for 2023. In the financial aspect, the Company will continue to undertake sustain financial planning to adapt to future business growth with a sound financial structure.

3. The impact of the external competitive environment, the regulatory environment, and the overall business environment on the Company's future development strategy.

- (a) Future Development: The Company is actively developing parts and modules for the automotive industry. As the global awareness of environmental protection is on the rise, lightweight and low fuel consumption are the future trends of the automotive industry. In the future, automotive parts and components will develop in light weight, automation, and electronics, and it is expected that the application of plastic materials in automotive parts and

components will become more extensive. With its "Precision Plastic Injection Molding Technology" and "Plastic Gear Module Technology", the Company will be able to replace some metal parts of automobiles. By actively laying out the automobile industry market in line with the future market application trend will contribute to the future operation and expansion of the company.

- (b) Impact of Regulatory Environment: The Company follows national policies and laws and regulations and has a firm grasp of important policies or legal changes in the financial, audit and legal affairs related units to comply with regulations and ensure smooth operations of the Company.
- (c) Impact of the General Business Environment: Due to the increasing complexity of the general business environment, the Company will evaluate the resource investments and business strategies regarding the industry overview, general economic development observation, and integrate internal technology and development resources to seek the best business opportunities.

Chairman	Hu, Shiang-Chi
General Manager	Obara Masami
CFO	Chiang, Shuo-Yen

**【 Exhibit 2 】 Accountants' Audit Report and 2022
Consolidated Financial Statements**

【Exhibit 3】 Earnings Distribution Table

第一化成控股(開曼)股份有限公司
IKKA HOLDINGS(CAYMAN) LIMITED

2022 Earnings Distribution Table
(In Thousands of New Taiwan Dollars)

Items	Amount
Opening Un-distributed Earnings	439,225,243
Share-Based Payment Transaction	(746,145)
Remeasured Amount of Defined Benefit Plans Recognized into Retained Earnings	6,904,143
Adjusted Un-distributed Earnings	445,383,241
Add: Current Net Profit	97,767,100
Add: Set Aside Special Earnings Reserve for Deduction of Shareholders' Equity	15,650,058
Current Distributable Earnings	558,800,399
Minus: Bonus to Shareholders	
Cash Dividend-NT\$ 3.00 Per Share	(87,757,224)
Final Undistributed Earnings	471,043,175

Note: As of March 31, 2023, the total number of issued and outstanding shares was 29,252,408 shares. As the current calculation basis for distribution, each share can be distributed at NT \$3.00. However, the actual distribution amount will be calculated according to the following instructions.

Explanation:

1. The Board of Directors is authorized to set another interest distribution base date, payment date, and other related matters.
2. This earnings distribution proposal is before the interest distribution base date. If the dividend distribution rate of shareholders changes due to factors such as the Company's buying back its shares, the transfer and cancellation of treasury shares, the conversion of convertible corporate bonds, the

exercise of employees' stock options, and the issuance of new shares, it is proposed to authorize the Chairman to handle it with full authority.

3. The cash dividends are calculated up to yuan and rounded below yuan, and the total amount of abnormal zero is included in the Company's other income.

Chairman	Hu, Shiang-Chi
General Manager	Ohara Masami
CFO	Chiang, Shuo-yen

【Exhibit 4】 The Execution of the Treasury Shares Repurchase

Repurchase period	First time
Estimated repurchase of shares	
Date of board resolution	2022.10.25
Purpose	Transfer of shares to employees
Estimated period of repurchase	2022.10.26-2022.12.23
Repurchase price range	NTD\$ 60-100 per share
Estimated amount of repurchase	500,000 shares
The ratio of the estimated number of repurchased shares to the total number of outstanding shares	1.85%
Maximum total amount of repurchased shares	NTD\$ 1,071,909,602

Execution of the actual Repurchase of shares	
Actual repurchase period	2022.11.24-2022.11.25
Actual amount of repurchase	12,000
The ratio of the actual number of redeemed shares to the total number of outstanding shares	0.04%
Actual Repurchase price	847,403
Average Repurchase price per share	NTD\$ 70.62
Reasons for not achieving estimated amount of Repurchase	In order to protect the overall shareholders' rights and follow the market mechanism, the Company adopted a batch buy-back strategy focusing on the changes of share price. The Company has taken the employees' willingness to subscribe and the efficiency of capital use into account, thus the estimated amount of Repurchase was not fully achieved.
Actual situation (Submitting the application of change	On February 16, 2023, the board of directors passed a resolution to change

registration within six months from the date of redeem)	the purpose of redeeming the Company's common shares from transferring to employees to maintaining the Company's credit and its shareholders' rights, and decided to apply for the cancellation of shares. On March 23, 2023, the cancellation of 12,000 treasury shares and the registration of changes in paid-in capital was completed.
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【Exhibit 5】 Comparison Table for the Amendments to the Company’s “Principles of Practice for Sustainable Development” of the Company

Amendment Date: March 21, 2023

Article	Before Amendment	After Amendment	Explanation
Article 27-1	Newly added.	<u>TWSE/TPEX listed companies are advised to continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.</u>	Cooperate with Taiwan Zheng Zhi Li Zi No. 1110024366-1 Letter of Taiwan Stock Exchange Corporation for revision.

【Exhibit 6】 Comparison Table for the Amendments to the Company’s “Corporate Governance Best Practice Principles” of the Company

Amendment Date: March 21, 2023

Article	Before Amendment	After Amendment	Explanation
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<p>Article 3-1</p>	<p>The first Paragraph is omitted.</p> <p>The corporate governance affairs in the preceding Paragraph shall include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to meetings of Board of Directors and Shareholders meetings according to laws 2. Producing minutes of meetings of Board of Directors and Shareholders meetings 3. Assisting in onboarding and continuous development of directors and supervisors 4. Furnishing information required for business execution by directors and supervisors 5. Assisting directors and supervisors with legal compliance 6. Other matters set out in the articles or corporation or contracts 	<p>The first Paragraph is omitted.</p> <p>The corporate governance affairs in the preceding Paragraph shall include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to meetings of Board of Directors and Shareholders meetings according to laws 2. Producing minutes of meetings of Board of Directors and Shareholders meetings 3. Assisting in onboarding and continuous development of directors and supervisors 4. Furnishing information required for business execution by directors and supervisors 5. Assisting directors and supervisors with legal compliance 6. Report to the Board the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure. 7. Handle matters related 	<p>Cooperate with Tai Zheng Zhi Li Zi No. 11100243661 Letter of Taiwan Stock Exchange Corporation for revision.</p>
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		<p>to the change of directors.</p> <p>8. Other matters set out in the articles or corporation or contracts</p>	
	7.	9.	
Section III	Corporate governance relationships between the Company and its <u>affiliated enterprises</u>	Corporate governance relationships between the Company and its <u>related parties</u>	Same as the explanation of Article 3-1.

Article 17	<p>When the TWSE/TPEX listed company <u>and</u> its affiliated enterprises enter inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.</p> <p><u>All transactions or contracts made by and between the TWSE/TPEX listed company and its affiliated persons and shareholders shall follow the principles set forth in the preceding Paragraph, and improper channeling of profits is strictly prohibited.</u></p>	<p>When the TWSE/TPEX listed company and its <u>related parties and shareholders</u> enter inter-company <u>financial</u> business transactions or make agreements, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and <u>improper channeling of profits</u> shall be prohibited.</p> <p><u>The written agreement in the preceding Paragraph shall include management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, capital lending, endorsement and guarantees, and relevant major transactions shall be submitted to the Board of Directors for approval, and to the Shareholders Meeting for approval or report.</u></p>	
Article 28	<p>A TWSE/TPEX listed company shall establish either an audit committee or a supervisor.</p> <p>The following is omitted.</p>	<p>A TWSE/TPEX listed company shall establish an audit committee.</p> <p>The following is omitted.</p>	<p>Same as the explanation of Article 3-1.</p>

Article 29	<p>The first to fourth Paragraph are omitted.</p> <p>A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. If the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.</p>	<p>The first to fourth Paragraph are omitted.</p> <p>A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the Company regularly <u>with reference to the audit quality indicators (AQIs)</u>, and no less frequently than once annually. If the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.</p>	<p>Same as the explanation of Article 3-1.</p>
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【Exhibit 7】 Comparison Table for the Amendments to “Articles of Association” of the Company.

Article	Before Amendment	After Amendment	Explanation
Cover	開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份 有限公司 2016年03月31日成立 （經2022年6月24日特 別決議通過） THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份 有限公司 Incorporated on March 31, 2016 (as adopted by a Special Resolution dated, June 24, 2022)	開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份 有限公司 2016年03月31日成立 （經2023年6月30日 特別決議通過） THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份 有限公司 Incorporated on March 31, 2016 (as adopted by a Special Resolution dated, June [30], 2023)	The update is intended to be made on the date of the special resolution of the shareholders' meeting, after the approval of this amendment to the Articles of Association.

Outline	<p>開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司 （經 2022 年 6 月 24 日特別決議通過）</p> <p>THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p>OF</p> <p>IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司</p> <p>(as adopted by a Special Resolution dated, June 24, 2022)</p>	<p>開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司 （經 2023 年 6 月 30 日特別決議通過）</p> <p>THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p>OF</p> <p>IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司</p> <p>(as adopted by a Special Resolution dated June 30, 2023)</p>	<p>The update is intended to be made on the date of the special resolution of the shareholders' meeting, after the approval of this amendment to the Articles of Association</p>
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<p>Article</p>	<p>開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司 （經 2022 年 6 月 24 日特別決議通過）</p> <p>THE COMPANIES ACT (REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p>OF</p> <p>IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司</p> <p>(as adopted by a Special Resolution dated, June 24, 2022)</p>	<p>開曼群島公司法（修訂版） 修訂和重述章程大綱 IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司 （經 2023 年 6 月 30 日特別決議通過）</p> <p>THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES</p> <p>AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p>OF</p> <p>IKKA Holdings (Cayman) Limited 第一化成控股（開曼）股份有限公司</p> <p>(as adopted by a Special Resolution dated June 30, 2023)</p>	<p>The update is intended to be made on the date of the special resolution of the shareholders' meeting, after the approval of this amendment to the Articles of Association.</p>
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<p>Article. 22.1</p>	<p>股東會通過下列任一決議時，就該議案在決議之股東會集會前或集會中以書面表示異議，或以口頭表示異議經記錄，放棄表決權之股東，得要求公司以當時公平價格收買其所有之股份：</p> <p>(後略)</p> <p>In the event any of the following resolutions is adopted at a general meeting, the Member, who has expressed his/her/its objection therefor, in writing or verbally with a record before or during the general meeting and forfeited his/her/its voting right may request the Company to buy back all of his/her/its Shares at the then prevailing fair price:</p> <p>(omitted)</p>	<p>股東會通過下列任一決議時，就該議案在決議之股東會集會前或集會中以書面表示異議，或以口頭表示異議經記錄，<u>並投票反對或放棄表決權之股東（以下稱「異議股東」）</u>，得要求公司以當時公平價格收買其所有之股份。<u>異議股東依前述規定所放棄表決權之股份數，不算入已出席股東之表決權數：</u></p> <p>(後略)</p> <p>In the event any of the following resolutions is adopted at a general meeting, the Member <u>(the “Dissenting Member”)</u>, who has expressed his/her/its objection therefor, in writing or verbally with a record before or during the general meeting and <u>has voted against or has</u> forfeited his/her/its voting right may request the Company to buy back all of his/her/its Shares at the then prevailing fair price. <u>The shares that have been forfeited by the Dissenting Member in accordance with the foregoing shall not be counted in the number of votes of the Member at a general meeting:</u></p> <p>(omitted)</p>	<p>The amendment is made in accordance with the amendment of the Checklist for the Protection of Shareholders' Rights and Interests.</p>
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<p>Article. 22.3</p>	<p>在不違反法令之情形下，第 22.1 及第 22.2 條所規定的請求應在決議日起二十日內，提出記載請求買回之股份種類、數額及收買價格之書面，向公司請求。提出請求之股東與公司間協議決定該股東所持股份之收買價格（下稱「股份收買價格」）者，公司應自決議日起九十日內支付價款。未達成協議者，公司應自決議日起九十日內，依其所認為之公平價格支付價款予未達成協議之股東；公司未支付者，視為同意股東請求收買之價格。</p>	<p>在不違反法令之情形下，異議股東依第 22.1 及第 22.2 條所規定的請求應在決議日起二十日內，提出記載請求買回之股份種類、數額及收買價格之書面，向公司請求。提出請求之異議股東與公司間協議決定該股東所持股份之收買價格（下稱「股份收買價格」）者，公司應自決議日起九十日內支付價款。未達成協議者，公司應自決議日起九十日內，依其所認為之公平價格支付價款予未達成協議之異議股東；公司未支付者，視為同意異議股東請求收買之價格。</p>	<p>The amendment is made in accordance with the amendment of the Checklist for the Protection of Shareholders' Rights and Interests.</p>
	<p>Subject to the Statute, the request prescribed in Articles 22.1 and 22.2 shall be delivered to the Company in writing, stating therein the types numbers and the repurchase price of Shares requested to be repurchased, within twenty days after the date of the relevant resolutions. In the event the requesting Member and the Company have reached an agreement in regard to the repurchase price of the Shares held by such Member (the “Appraisal Price”), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached with the dissenting Member, the Company shall pay the fair price it has recognized to such dissenting Member within ninety days since the</p>	<p>Subject to the Statute, the request by a Dissenting Member prescribed in Articles 22.1 and 22.2 shall be delivered to the Company in writing, stating therein the types numbers and the repurchase price of Shares requested to be repurchased, within twenty days after the date of the relevant resolutions. In the event the Dissenting Member and the Company have reached an agreement in regard to the repurchase price of the Shares held by such Dissenting Member (the “Appraisal Price”), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached with the Dissenting Member, the Company shall pay the fair price it has recognized to</p>	

	<p>resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the <u>dissenting</u> Member.</p>	<p>such <u>Dissenting</u> Member within ninety days since the resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the <u>Dissenting</u> Member.</p>	
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Article. 22.4	<p>在不違反法令之情形下，股東依第 22.3 條向公司請求收買其所有之股份，雙方就收買價格未能在決議日起六十日內達成協議者，公司應在該六十日期限經過後三十日內，以全體未達成協議之股東為相對人，聲請中華民國有管轄權的法院為股份收買價格之裁定，並得以臺灣臺北地方法院為第一審管轄法院。該法院所作出的裁定對於公司和提出請求的股東之間，僅就有關股份收買價格之事項具有拘束力和終局性。</p> <p>Subject to the Statute, in the event that any Member requests the Company to buy back his/her/its Shares pursuant to Article 22.3, and the Company and the requesting Member fail to reach the agreement with respect to the Appraisal Price within sixty days after the resolution date, the Company shall apply to any competent R.O.C. court against all the dissenting Members as the opposing party within thirty days after the expiry of the sixty-day period for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the Appraisal Price.</p>	<p>在不違反法令之情形下，異議股東依第 22.3 條向公司請求收買其所有之股份，如雙方就收買價格未能在決議日起六十日內達成協議者，公司應在該六十日期限經過後三十日內，以全體未達成協議之異議股東為相對人，聲請中華民國有管轄權的法院為股份收買價格之裁定，並得以臺灣臺北地方法院為第一審管轄法院。該法院所作出的裁定對於公司和提出請求的異議股東之間，僅就有關股份收買價格之事項具有拘束力和終局性。</p> <p>Subject to the Statute, in the event that any Dissenting Member requests the Company to buy back his/her/its Shares pursuant to Article 22.3, and the Company and the Dissenting Member fail to reach the agreement with respect to the Appraisal Price within sixty days after the resolution date, the Company shall apply to any competent R.O.C. court against all the Dissenting Members as the opposing party within thirty days after the expiry of the sixty-day period for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and the Dissenting Member solely with respect to the Appraisal Price.</p>	<p>The amendment is made in accordance with the amendment of the Checklist for the Protection of Shareholders' Rights and Interests.</p>
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Article. 30.5	<p>董事對董事會會議之事項，有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就會議之事項有利害關係者，視為董事就該事項有自身利害關係。如董事對於會議之事項，有自身利害關係致有害於公司利益之虞者，不得加入表決，且不得代理其他董事行使表決權。根據上述規定不得行使表決權或代理行使表決權的董事，其表決權不應計入已出席董事會會議董事的表決權數。公司於進行併購時，公司董事就併購交易有自身利害關係時，應向董事會及股東會說明其自身利害關係之重要內容及贊成或反對併購決議之理由。</p>	<p>董事對董事會會議之事項，有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就會議之事項有利害關係者，視為董事就該事項有自身利害關係。如董事對於會議之事項，有自身利害關係致有害於公司利益之虞者，不得加入表決，且不得代理其他董事行使表決權。根據上述規定不得行使表決權或代理行使表決權的董事，其表決權不應計入已出席董事會會議董事的表決權數。公司於進行併購時，公司董事就併購交易有自身利害關係時，應向董事會及股東會說明其自身利害關係之重要內容及贊成或反對併購決議之理由，<u>公司並應於股東會召集事由中敘明董事利害關係之重要內容及贊成或反對併購決議之理由，其內容得置於中華民國證券主管機關或公司指定之網站，並應將其網址載明於通知中。</u></p>	
	<p>A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose to the meeting the material information of such interest; provided that in the event a Director's spouse or any second degree relatives, or company(s) with controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a meeting, the said Director shall be deemed to have a</p>	<p>A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose to the meeting the material information of such interest; provided that in the event a Director's spouse or any second degree relatives, or company(s) with controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a</p>	

<p>personal interest in such matter. A Director who has a conflict of interest which may impair the interest of the Company shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed M&A by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting the nature of such director's personal interest and the reason(s) for the approval or objection to the proposed resolution.</p>	<p>meeting, the said Director shall be deemed to have a personal interest in such matter. A Director who has a conflict of interest which may impair the interest of the Company shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed M&A by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting the nature of such director's personal interest and the reason(s) for the approval or objection to the proposed resolution. <u>The Company shall expressly set out the material information of a Director's personal interest and the reason(s) of approval or dissent to the resolution of the proposed transaction in the notice of the general meeting; the information thereof may be placed on the website designated by the R.O.C. competent authorities for securities or by the Company, and the web address shall be indicated in the notice.</u></p>	
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【Exhibit 8】 List of Directors Candidates

No.	Shareholder No.	Name	ID Number or Unified Business No.	Education & Experience	Shareholdings (shares)	As a Representative for	Type	Has the candidate served as an independent director for three consecutive terms/reason
1	5	Hu, Shiang-Chi	A12*****1	Master in International Business, National Taiwan University President of YAGEO CORPORATION	4,000,000	ABICO AVY CO., LTD.	Director	N/A
2	5	Tong, Chun-Jen	A12*****0	Master in Data Science, New Jersey Institute of Technology Director of ABILITY INTERNATIONAL CO., LTD.	4,000,000	ABICO AVY CO., LTD.	Director	N/A
3	5	Tong, Chun-Yi	A12*****2	Bachelor of Economics, Univer Southern California (USC) LSI Master in Engineering, Waseda University Vice Chairman of ABICO AVY CO., LTD.	4,000,000	ABICO AVY CO., LTD.	Director	N/A
4	5	Obara Masami	A80*****8	Saitama Prefectural Omiya Technical High School President of DaiichiKasei Co.,Ltd.	4,000,000	ABICO AVY CO., LTD.	Director	N/A
5	-	Sugiyama Shimpei	TR87*****5	LLB, School of Law, Meiji University	-	-	Director	N/A
6	-	Yuya Takahashi	TR86*****8	Takarazuka University Kansai Gaidai University	-	-	Director	N/A

7	-	Chen, Wei-Yue	A12*****3	Master in Business Administration, University of California Bachelor in Department of International Business, National Cheng Chi University Partner of Deloitte Taiwan	-	-	Independent Director	No
8	-	Lin, Tian-Song	E10*****5	Bachelor in Department of Business Administration, Soochow University Vice President of Taiwan High Speed Rail Vice President of Eva Airlines CEO of Dimerco	-	-	Independent Director	No
9	-	Che-Sheng Chen	E12*****8	Master/Doctor in Material Science, The University of Tokyo Master in Industrial Management, Stanford University President of BERLIN CO., LTD.	-	-	Independent Director	No

**【 Exhibit 9 】 Dismissal of Directors' Non-
Competition Obligation**

Candidate	Name	Company	Position
Director	Hu, Shiang-Chi	ABICO NetCom Co., Ltd.	Chairman
		能率壹創業投資(股)公司	
		TranSystem Incorporated (TranSystem Inc.)	
		ABILITY ENTERPRISE CO., LTD.	Director
		DR.Chip Biotechnology Incorporation	
		ALLIS ELECTRIC CO., LTD.	Independent Director
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	
		Beijing Enterprises Medical and Health Industry Group Limited	Executive Director
		ABICO AVY CO., LTD.	Director and President
		能率亞洲資本(股)公司	President
Director	Tong, Chun-Jen	ABICO AVY CO., LTD.	Chairman
		AVY CO., LTD.	
		Abico Plus Entertainment Limited.	
		1 PRODUCTION FILM CO.	
		ARES OFFICE CO., LTD.	
		ABICO NetCom Co., Ltd.	Vice Chairman
		ABILITY INTERNATIONAL CO., LTD.	Director
		TAISHIBA INTERNATIONAL CO., LTD.	
		TAIWAN SANYO ELECTRIC CO., LTD.	
		JABON INTERNATIONAL CO., LTD.	
		SEINOH OPTICAL CO., LTD.	
		能率壹創業投資(股)公司	
HONLYNN CO., LTD.			
Director	Tong, Chun-Yi	能率國際股份有限公司	Chairman
		能率資本股份有限公司	
		東莞承光五金製品有限公司	
		ABICO AVY CO., LTD.	Vice Chairman

Candidate	Name	Company	Position
		JABON INTERNATIONAL CO., LTD.	Director
		ABILITY ENTERPRISE CO., LTD.	
		Abico Plus Entertainment Limited.	
		SEINOH OPTICAL CO., LTD.	
		能率壹創業投資(股)公司	
		DaiichiKasei Co.,Ltd.	
		SOL-PLUS 株式會社	
		SIRTEC INTERNATIONAL CO., LTD.	Independent Director
		TAIWAN SECOM CO., LTD.	
Director	Obara Masami	DaiichiKasei Co.,Ltd.	President
Director	Yuya Takahashi	Shipeee Taiwan Inc.	President
Director	Sugiyama Shimpei	FM port 株式會社	President
		株式会社南洋商会	
Independent Director	Chen, Wei-Yue	致和聯合會計師事務所	Partner
		GRANDTECH C.G. SYSTEMS INC.	Independent Director
		CHEER TIME ENTERPRISE CO. LTD.	
Independent Director	Lin, Tian-Song	-	-
Independent Director	Che-Sheng Chen	China Steel Structure Co., Ltd.	Director
		BERLIN CO., LTD.	President

XI. Appendices

【 Appendices 1 】 Procedure for Shareholders' Meetings

Article 1 Basis

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

Article 2 General rule

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. If there are some incomplete matters or changes in relevant regulations, the Company shall follow the relevant laws and regulations currently in force.

Article 3 Convening shareholders meetings and shareholders meeting notices

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and

supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated and distributed on-site at the meeting.

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

Election or discharge of directors or supervisors, amendments to the Articles of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, spin-off, or any matter under paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice of the reasons for convening the shareholders meeting, and shall not be brought up as extemporaneous motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, if a proposal submitted by a shareholder is a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, such proposal will still be included in the meeting agenda by the board of directors. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder who has

submitted a proposal attend, in person or by proxy, the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for delivering of notice of a shareholders meeting, the Company shall inform the proposal submitting shareholders of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of the Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the board of directors shall explain the reasons for exclusion of such proposals at the shareholders meeting.

Article 4 Proxy

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

Article 5 Principles determining the time and place of a shareholders meeting

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

Article 6 Preparation of documents such as the attendance book

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly

marked and a sufficient number of suitable personnel assigned to handle the registrations

Shareholders or proxies of such shareholders (collectively "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

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

Article 7 The chair and non-voting participants of a shareholders meeting

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chair of the board. When the chair of the board is on leave or for any reason unable to exercise the powers of the chair, the vice chair shall act in place of the chair; if there is no vice chair or the vice chair also is on leave or for any reason unable to exercise the powers of the vice chair, the chair shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chair does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of an artificial person director that serves as chair.

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

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are

two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8 Documentation of a 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 The minimum legal requirement of total number of shares represented at a shareholder meeting

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, or the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative

resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 Discussion of proposals

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 Shareholder 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 chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's

speech violates the rules or exceeds the scope of the proposal, the chair may terminate the speech.

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

When an artificial person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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 proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three 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 The manner of exercising the voting right and conducting a resolution

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

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended

the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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

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

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the resolution of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has

been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 Election of directors

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company. The voting results shall be announced on-site immediately, including the names of those elected as directors 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 one 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 Minute of shareholders meeting

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election. The minutes shall be retained for the duration of the existence of the Company.

Article 16 Public disclosure

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 matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations in Taiwan, or under Taiwan Stock Exchange

Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Maintaining order at the meeting place

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

The chair may direct the picket staff or security personnel to help maintain order at the meeting place. When picket staff or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Picket staff."

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 chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the picket staff 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 chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, depending on 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 shareholder meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 Lay down and amend procedures

The Rules took effect after having been submitted to and approved by board of the directors and the shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. The Rules were adopted on 20th March 2020.

【Appendices 2】 Articles of Association of the Company

**THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

IKKA Holdings (Cayman) Limited

第一化成控股（開曼）股份有限公司

Incorporated on March 31, 2016

(as adopted by a Special Resolution dated, June 24, 2022)

THE COMPANIES ACT (REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF
IKKA Holdings (Cayman) Limited

第一化成控股（開曼）股份有限公司

(as adopted by a Special Resolution dated, June 24, 2022)

1. The name of the Company is IKKA Holdings (Cayman) Limited (第一化成控股(開曼)股份有限公司) .
2. The registered office of the Company shall be at International Corporation Services Ltd., PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grace Cayman KY1-1106, Cayman Islands, or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act (As Revised) or as the same may be revised from time to time, or any other law of the Cayman Islands.
4. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
5. The authorised capital of the Company is New Taiwan Dollars 400,000,000 divided into 40,000,000 ordinary shares of New Taiwan Dollars 10 each provided always that subject to the provisions of the Companies Act (As Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to issue all or any part of its capital with priority or subject to any conditions or

restrictions whatsoever and every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

6. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

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**THE COMPANIES ACT (REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF**

IKKA Holdings (Cayman) Limited

第一化成控股（開曼）股份有限公司

(as adopted by a Special Resolution dated, June 24, 2022)

1 Interpretation

- 1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

“Annual Net Income”	means the audited annual net profit of the Company in respect of the applicable year.
"Articles"	means these articles of association of the Company, as originally adopted or as from time to time altered by Special Resolution.
“Capital Reserve”	means the income derived from the issuance of new shares at a premium, or from endowments received by the company.
"Company"	means the above named company.
"Directors"	means the directors for the time being of the Company (includes any and all Independent Director(s)).
"Electronic Record"	has the same meaning as in the Electronic Transactions Act (As Revised).
"Electronic Transactions Act"	means the Electronic Transactions Act (As Revised) of the Cayman Islands.
“FSC”	means the R.O.C. Financial Supervisory Commission
“Independent Directors”	means the Directors who are elected by the Members at a general meeting and designated as "Independent Directors" for the purpose of the Applicable Public Company Rules which are in force from time to time.
“Legal Reserve”	means, after the Company has covered its losses and all taxes have been paid and at the time of distributing surplus profits, a certain percent of such profits that the Company shall first set aside as a legal reserve in accordance with the Applicable Public Company Rules. However when the accumulated Legal Reserve has reached the total paid-up capital of the Company, this requirement shall not apply.

"Market Observation Post System"	means the internet information reporting system designated by the FSC.
"M&A"	means Merger, Acquisition and Spin-off.
"Member"	has the same meaning as in the Statute.
"Memorandum"	means the memorandum of association of the Company, as originally adopted or as from time to time altered by Special Resolution.
"Merger"	means a transaction whereby (i) all of the companies participating in such transaction are dissolved, and a new company is incorporated to generally assume all rights and obligations of the dissolved companies or (ii) all but one company participating in such transaction are dissolved, and the surviving company generally assumes all rights and obligations of the dissolved companies, and in each case the consideration for the transaction being the shares of the surviving or newly incorporated company or any other company, cash or other assets.
"Short-form Merger"	means (i) a Merger in which one of the merging companies holds issued shares that together represent at least 90% of the voting power of the outstanding shares of the other merging company or (ii) that subsidiaries of the same parent company holding 90% or more of the issued and outstanding shares of such respective subsidiaries merge with one another.
"Ordinary Resolution"	means a resolution passed by a simple majority of votes cast by the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.

“Private Placement”	means obtaining subscriptions for, or the sale of, Shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including Shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors or approved by the Company or such authorized person, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of Shares under Article 11 of these Articles.
"Register of Members"	means the register of members maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"Registered Office"	means the registered office for the time being of the Company.
“R.O.C.”	means the Republic of China.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Share" and "Shares"	means a share or shares in the Company and includes a fraction of a share.
"Share Certificate" and “Share Certificates”	means a certificate or certificates representing a Share or Shares.
“Simple Majority”	means more than one-half.
“Share Exchange”	means a company transferring all its issued shares to another company in exchange for shares, cash or other assets in that company as the consideration for shareholders of the transferring company.

“Short-form Share Exchange”	means a parent company acquires, by way of a Share Exchange, its subsidiary company wherein at least 90% of the voting power of the outstanding shares of the subsidiary company are held by the parent company.
"Solicitor"	means any Member, a trust enterprise or a securities agent mandated by Member(s) who solicits an instrument of proxy from any other Member to appoint him/her/it as a proxy to attend and vote at a general meeting instead of the appointing Member pursuant to the Applicable Public Company Rules.
"Special Resolution"	means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given.
“Spin-off”	refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or shareholders of that company.
“Short-form Spin-off”	Means a parent company effects a Spin-off with its subsidiary company wherein at least 90% of the voting power of the outstanding shares of the subsidiary company are held by the parent company, and whereby the parent company is the transferee company assuming the business and the subsidiary company is the divided company acquiring the total amount of consideration for the business transferred.
"Statute"	means the Companies Act (As Revised) of the Cayman Islands, as amended, and every statutory modification or re-enactment thereof for the time being in force.

“Subsidiary” and
“Subsidiaries”

means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; or (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company; (iii) a company of which the management of the personnel, financial, or business operation has been directly or indirectly controlled by the Company; or (iv) a company has more than one half of directors are contemporarily acting as directors of the Company.

**“Supermajority
Resolution”**

means (i) a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total outstanding Shares of the Company or, (ii) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares of the Company, but more than half of the total outstanding Shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution.

“TDCC”

means the Taiwan Depository & Clearing Corporation.

“Treasury Shares”

means a Share purchased and held in the name of the Company as a treasury share in accordance with the Statute and the Applicable Public Company Rules.

“TWSE”

means the Taiwan Stock Exchange

“TPEX” means the Taipei Exchange

“Non TWSE-Listed or TPEX-Listed Company” refers to a company whose shares are neither listed on the TWSE or the Taipei Exchange.

1.1 In the Articles:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) words importing persons include corporations;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (g) headings are inserted for reference only and shall be ignored in construing the Articles;
and
- (h) Section 8 of the Electronic Transactions Act shall not apply.
- (i) Applicable Public Company Rules shall not apply until the Company has become a public company pursuant to Applicable Public Company Rules.

2 Commencement of Business

2.1 After incorporation, the Company may operate its business at the time the board of Directors deems fit. The Company shall operate its business compliance with the

Applicable Public Company Rules and business ethics, and may promote perform actions that the public interest to fulfil the social responsibility of the Company.

- 2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

3 Issue of Shares

- 3.1 Subject to the provisions, if any, in the Statute, the Memorandum, the Articles and Applicable Public Company Laws (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the board of Directors may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem, purchase, spin-off or consolidate any or all of such Shares and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary, Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided.

- 3.2 The Company shall not issue Shares to bearer.

- 3.3 The Company shall not issue any unpaid Shares or partly paid-up Shares.

4 Register of Members

- 4.1 The board of Directors shall keep, or cause to be kept, the Register of Members at such place as the board of Directors may from time to time determine and, in the absence of any such determination, the Register of Members shall be kept at the Registered Office.

- 4.2 If the board of Directors consider it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the board of Directors think fit.

The principal register and the branch register(s) shall together be treated as the Register of Members for the purposes of the Articles.

- 4.3 For so long as any Shares are listed on TWSE or TPEX, title to such listed Shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of TWSE or TPEX that are or shall be applicable to such listed Shares, and the Register of Members maintained by the Company in respect of such listed Shares may be kept by recording the particulars required by section 40 of the Statute in a form otherwise than legible if such recording otherwise complies with the laws applicable to or the rules and regulations of TWSE and TPEX that are or shall be applicable to such listed Shares.

5 Closing Register of Members or Fixing Record Date

- 5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other purpose, the board of Directors shall determine the period that the Register of Members shall be closed for transfers and after the Company has acquired public company status, such period shall not be less than the minimum period of time prescribed by the Applicable Public Company Rules.
- 5.2 Subject to Article 5.1 hereof, in lieu of, or apart from, closing the Register of Members, the board of Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members, or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the board of Directors designates a record date in accordance with this Article 5.2, the board of Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.
- 5.3 The rules and procedures governing the implementation of the book closed periods the Register of Members, including notices to Members in regard to book closed periods of the Register of Members, shall be in accordance with policies adopted by the board of Directors from time to time, which policies shall be in accordance with

the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

6 Share Certificates

- 6.1 Subject to the provisions of the Statute, the Memorandum and Articles and the Applicable Public Company Rules, the Company shall issue Shares without printing Share Certificates for the Shares issued, the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules, and the issuance, transfer or cancellation of the Shares shall be handled in accordance with the relevant rules of TDCC. A Member shall only be entitled to a Share Certificate if the board of Directors resolves that Share Certificates shall be issued. Share Certificates, if any, shall be in such form as the board of Directors may determine. Share Certificates shall be signed by one or more Directors authorised by the board of Directors. The board of Directors may authorise Share Certificates to be issued with the authorised signature(s) affixed by mechanical process. All Share Certificates shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All Share Certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles. No new Share Certificate shall be issued until the former Share Certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
- 6.2 In the event that the board of Directors resolve that Share Certificates shall be issued pursuant to Article 6.1 hereof, the Company shall deliver the Share Certificates to the subscribers within thirty days from the date such Share Certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such Share Certificates pursuant to the Applicable Public Company Rules.
- 6.3 No Shares may be registered in the name of more than one Member.
- 6.4 If a Share Certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the board of Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old Share Certificate.

7 Preferred Shares

- 7.1 The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of

a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.

7.2 Prior to the issuance of any Preferred Shares approved pursuant to Article 7.1 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:

- (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
- (b) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
- (c) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (d) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;
- (e) Other matters concerning rights and obligations incidental to Preferred Shares; and
- (f) The method by which the Company is authorized or compelled to redeem the Preferred Shares, or relevant regulations that redemption rights shall not apply.

8 Issuance of New Shares

8.1 The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.

8.2 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its capital by issuing new Shares for cash, the Company shall, after reserving Shares for Public Offering (defined below) and Shares for Employees' Subscription (defined below) in accordance with Article 8.3, make a public announcement and notify each Member that he/she/it is entitled to

exercise a pre-emptive right to purchase his/her/its pro rata portion of any new Shares issued in the capital increase in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notices to the Members that if any Member fails to purchase his/her/its pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to purchase the newly-issued Shares. Subject to Article 6.3, in the event that Shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one newly-issued Share, Shares held by several Members may be calculated together for joint purchase of newly-issued Shares or for purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may offer any un-subscribed new Shares to be issued to the public in Taiwan or to specific person or persons according to the Applicable Public Company Rules.

- 8.3 Where the Company increases its capital in cash by issuing new Shares in Taiwan, the Company shall allocate 10% of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, as determined by the board of Directors according to the Applicable Public Company Rules and/or the instruction of the FSC or TWSE or TPEX (as applicable), for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail (“**Shares for Public Offering**”). The Company may reserve 10% to 15% of the total amount of the new Shares to be issued for the subscription by the employees of the Company and its Taiwan or foreign controlling companies or Subsidiaries (“**Shares for Employees’ Subscription**”). The Company may restrain the shares subscribed by the aforementioned employees from being transferred or assigned to others within a specific period of time which shall in no case be longer than two years.
- 8.4 Members’ rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall

be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

- 8.5 The pre-emptive right of Members provided under Article 8.2 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes: (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company; (b) in connection with meeting the Company's obligations under Share subscription warrants and/or options, including those referenced in Articles 11.1 to 11.4; (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares; (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; (e) in connection with a Private Placement; (f) in connection with the issue of Restricted Shares in accordance with Article 8.7; or (g) other matters in accordance with the Applicable Public Company Rules.
- 8.6 The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 8.7 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company may, with the approval of a Supermajority Resolution in a general meeting, issue new Shares with restricted rights to the employees of the Company and its Taiwan or foreign controlling companies or Subsidiaries ("**Restricted Shares**") and the provision of Article 8.2 shall not apply to any such issue of Restricted Shares. The terms of issue of Restricted Shares, including, but not limited to the number, issue price and other relevant conditions shall comply with the Applicable Public Company Rules.
- 8.8 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company may, by resolutions of the Members passed at a general meeting attended by Members who represent a majority of the issued, outstanding Shares and approved by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution, conduct Private Placements, and shall comply with the Applicable Public Company Rules to determine, inter alia, the purchaser(s),

the types of securities, the determination of the offer price, and the restrictions on transfer of securities of such Private Placement.

- 8.9 Subject to the provisions of the Applicable Public Company Rules, when the total number of new Shares in issue has been subscribed to in full, the Company shall immediately send a call notice to the subscribers for unpaid Shares. Where Shares are issued at a price higher than par value, the premium and the par value shall be collected at the same time. Where the subscriber delays payment for subscribing to the Shares, the Company shall designate a cure period of not less than one month by serving a notice on him/her/it requiring such payment. The Company shall also declare in the notice that in case of default of payment within the said cure period, the subscriber's right to subscribe to new Shares shall be forfeited. After the Company has made such request, the subscribers who fail to settle the outstanding payment accordingly shall forfeit their rights to subscribe to the Shares and the Shares subscribed by them in the first place shall be otherwise offered by the Company.

9 Transfer of Shares

- 9.1 Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company may be freely transferable.
- 9.2 Subject to these Articles and the Applicable Public Company Rules, any Member may transfer all or any of his Shares by an instrument of transfer.
- 9.3 The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.
- 9.4 The Board of Directors may approve to effect transfers of Shares listed on the TWSE or TPEX (as applicable) which are not issued physically through relevant systems (including systems of TDCC) without executing share transfer documents. With respect to non-physically issued shares, the Company shall notify holders of these shares to provide (or have a third party designated by such holders to provide) instruction(s) necessary for transfers of shares through relevant systems according to the requirement, equipment and demand of those systems, provided however, that

such instructions shall not violate these Articles, Statute and the Applicable Public Companies Rules.

10 Redemption and Repurchase of Shares

- 10.1 Subject to the provisions of the Statute, the Memorandum, and the Articles, the Company may purchase its own Shares in the manner and terms to be resolved by the board of Directors from time to time. Notwithstanding the foregoing, for so long as any Shares are listed on the TWSE or TPEX (as applicable), the Company may purchase its own shares on such terms as are approved by resolutions of the Directors passed at a meeting of the board of Directors attended by more than two-thirds of members of the board and approved by a majority of the Directors present at such meeting, provided that any such repurchase shall be in accordance with the Applicable Public Company Rules. In the event that the Company proposes to purchase any Shares listed on the TWSE or TPEX pursuant to this Article, the approval of the board of Directors and the implementation thereof shall be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the repurchase proposal for any reason.
- 10.2 Subject to the provisions of the Statute, the Memorandum, and the Articles, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner as the Company may, by Special Resolution, determine before the issue of the Shares. The Company may make a payment in respect of the redemption of its own Shares in any manner permitted by the Statute (including out of capital). After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company.
- 10.3 The board of Directors may, upon the purchase or redemption of any Share under Article 10.1 to 10.7, determine that such Share shall be held as Treasury Share (“**Repurchased Treasury Shares**”). For Treasury Shares, no dividends shall be distributed or paid, nor shall any distribution of the Company’s assets be made (whether in cash or by other means) (including any assets distribution to the Members when the Company is winding up).
- 10.4 Subject to the provisions of the Statute, the Memorandum and the Articles, the board of Directors may determine to cancel a Treasury Share or transfer a Treasury Share to the employees on such terms as they think proper (including, without limitation,

for nil consideration). After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company.

- 10.5 If the Company repurchases any Shares traded on the TWSE or TPEX and proposes to transfer the Repurchased Treasury Shares to any employees of the Company or its Taiwan or foreign controlling companies or Subsidiaries at the price below the average repurchase price paid by the Company for Repurchased Treasury Shares (the "**Average Purchase Price**") the Company shall require the approval of a resolution of the Members passed at a general meeting attended by Members who represent a majority of the issued, outstanding Shares and approved by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution, and shall specify such motion in the meeting notice of that general meeting in accordance with the Applicable Public Company Rules, and which shall not be brought up as an ad hoc motion and which matter shall include:
- (a) The transfer price, discount rate, calculation basis and reasonability;
 - (b) Number of shares transferred, purpose and reasonability;
 - (c) Qualification of employees' subscription and number of shares employees may subscribe; and
 - (d) Matters affecting equity of the Members:
 - (i) Amounts that may become expenditures, and the dilution of earnings per share of the Company; and
 - (ii) Explain the financial burden caused to the Company by transfer of shares to employees at a price lower than the Average Purchase Price.
- 10.6 The aggregate number of Treasury Shares to be transferred to employees pursuant to Article 10.4 and the aggregate number of Treasury Shares transferred to any individual employee shall be subject to the Applicable Public Company Rules as applied to the Company and shall not exceed the stipulated percent of the Company's total issued, allotted and outstanding Shares as at the date of transfer of any Treasury Shares to the employee. The Company may impose restrictions on the transfer of such Shares by the employee for a period of no more than two years.
- 10.7 Notwithstanding anything to the contrary contained in Articles 10.1 to 10.6, and subject to the Statute, the Memorandum and Articles and the Applicable Public

Company Rules, the Company may, with the approval of an Ordinary Resolution, compulsorily redeem or repurchase Shares, provided that such Shares shall be cancelled upon redemption or repurchase and such redemption or repurchase will be effected pro rata based on the percentage of shareholdings of the Members. Payments in respect of any such redemption or repurchase, if any, may be made either in cash or by distribution of specific assets of the Company, as specified in the Ordinary Resolution approving the redemption or repurchase, provided that (a) the relevant Shares will be cancelled upon such redemption or repurchase and will not be held by the Company as Treasury Shares, and (b) where assets other than cash are distributed to the Members, the type of assets, the value of the assets and the corresponding amount of such substitutive distribution shall be (i) assessed by an R.O.C. certified public accountant before being submitted to the Members for approval and (ii) agreed to by the Member who will receive such assets. After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company.

11 Employee Incentive Programme

- 11.1 Notwithstanding the provision of Article 8.7 Restricted Shares, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Taiwan or foreign controlling companies or Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the board of Directors from time to time in accordance with the Statute, the Memorandum and the Articles. After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company.
- 11.2 Options, warrants or other similar instruments issued in accordance with Article 11.1 above are not transferable save by inheritance.
- 11.3 The Company may enter into relevant agreements with employees of the Company and the employees of its Taiwan or foreign controlling companies or Subsidiaries in relation to the incentive programme approved pursuant to Article 11.1 above, whereby employees may subscribe, within a specific period of time, a specific number of the Shares. The terms and conditions of such agreements shall be no less

restrictive on the relevant employee than the terms specified in the applicable incentive programme.

- 11.4 Directors of the Company and its Taiwan or foreign controlling companies or Subsidiaries shall not be eligible for the employee incentive programmes under Article 8.7 or this Article 11, provided that directors who are also employees of the Company or its Subsidiaries may participate in an employee incentive programme in their capacity as an employee (and not as a director of the Company or its Taiwan or foreign controlling companies or Subsidiaries).

12 Variation of Rights of Shares

- 12.1 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class, unless otherwise provided by the terms of issue of the Shares of that class, may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares.
- 12.2 The relevant provisions of the Articles relating to general meetings shall apply to every class meeting of the holders of the same class of the Shares.
- 12.3 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

13 Transmission of Shares

- 13.1 If a Member dies, the survivor or survivors where he/she was a joint holder, or his/her legal personal representatives where he/she was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share which had been jointly held by him/her.
- 13.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) shall give written notice to the Company and, upon such evidence being produced as may

from time to time be required by the board of Directors, may elect, by a notice in writing sent by him/her/it, either to become the holder of such Share or to have some person nominated by him/her/it become the holder of such Share.

14 Amendments of Memorandum and Articles of Association and Alteration of Capital

14.1 Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, the Company may by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; and
- (e) increase its authorised share capital or cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person, provided that in the event of any change to its authorised share capital, the Company shall also procure the amendment of its Memorandum by the Members at a general meeting to reflect such change.

14.2 Subject to the provisions of the Statute, the Applicable Public Company Rules, the Articles and unless otherwise provided under Article 14.6, the Company shall by a Supermajority Resolution:

- (a) sell, transfer or lease of whole business of the Company or other matters which has a material effect on the Members' rights and interests;
- (b) discharge or remove any Director;
- (c) approve any action by any Director(s) who is engaging in business for him/her/itself or on behalf of another person that is within the scope of the Company's business;
- (d) effect any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;
- (e) distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders

in proportion to the number of shares being held by each of them in accordance with Article 34.2 hereunder;

- (f) effect any Merger (other than a Short-form Merger) or Spin-off (other than a Short-form Spin-off) provided that any Merger which falls within the definition of “merger and/or consolidation” under the Statute shall also be subject to the requirements of the Statute;
- (g) Share Exchange;
- (h) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;
- (i) transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; and
- (j) acquire or assume the whole business or assets of another person, which has material effect on the Company’s operation.

14.3 Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass

- (a) a Supermajority Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
- (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above.

14.4 When the Company returns share capital according to the Statute, the Articles, and the Applicable Public Company Rules, the share capital shall be returned in proportion to the shareholdings of the Members.

14.5 Subject to the provisions of the Statute and the Articles, if the Company intends to return share capital by assets other than cash, the asset to be returned and the amount to be deducted shall be approved by general meetings and consented to by the Members who will receive such asset, provided that the asset to be returned and the amount to be deducted shall be audited by the certified R.O.C. public accountant before they are submitted by the board of Directors for general meetings’ resolution. After the Company has acquired public company status, the foregoing matter shall

be made in accordance with the Applicable Public Company Rules as applied to the Company.

14.6 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without passing a resolution adopted by not less than two-thirds of votes cast by such Members representing the total number of issued Shares at a general meeting:

- (a) enter into a Merger, in which the Company is not the surviving company and is proposed to be struck-off and thereby dissolved, which results in a delisting of the Shares on the TWSE, and the surviving or newly incorporated company is a Non TWSE-Listed or TPEX-Listed Company;
- (b) make a general transfer of all the business and assets of the Company, which results in a delisting of the Shares on the TWSE, and the assigned company is a Non TWSE-Listed or TPEX-Listed Company;
- (c) be acquired by another company as its wholly-owned subsidiary by means of a Share Exchange, which results in a delisting of the Shares on the TWSE, and the acquirer is a Non TWSE-Listed or TPEX-Listed Company; or
- (d) carry out a Spin-off, which results in a delisting of the Shares on the TWSE, and the surviving or newly incorporated spin-off company is a Non TWSE-Listed or TPEX-Listed Company.

15 Registered Office

Subject to the provisions of the Statute, the Company may by resolution of the board of Directors change the location of its Registered Office in the Cayman Islands.

16 General Meetings

- 16.1 All general meetings other than annual general meetings are extraordinary general meetings.
- 16.2 After the Company has acquired public company status, the Company shall hold a general meeting as its annual general meeting within six months following the end

of each fiscal year, and shall specify the meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented.

- 16.3 The Company shall hold an annual general meeting every year.
- 16.4 The general meetings shall be held at such time and place as the Directors shall decide, or by video conference or in any manner prescribed by the Applicable Public Company Rules, provided that unless otherwise provided by the Statute or this Article, the in-person general meetings shall be held in Taiwan in the event the Company has acquired public company status. For in-person general meetings to be held outside Taiwan, after the Company has acquired public company status, the Company shall apply with TWSE or TPEX to obtain its approval within two days after the board of Directors resolves to call an in-person general meeting or within two days after the shareholder(s) obtain(s) the approval from competent authorities to convene the same. In addition, where an in-person general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members). Where a general meeting is held through video conference, it shall be convened in accordance with the regulations of the Applicable Public Company Rules.
- 16.5 The board of Directors may call general meetings, and they shall on a Member's requisition pursuant to Article 16.6 proceed to convene an extraordinary general meeting of the Company.
- 16.6 Member(s) who are entitled to submit a Member's requisition as provided in the preceding Article 16.5 are Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.
- 16.7 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and duly delivered to the Company, and may consist of several documents in like form each signed by one or more requisitionists.
- 16.8 If the board of Directors do not within fifteen days from the date of the delivery of the requisition dispatch the notice of an extraordinary general meeting, the

requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules.

- 16.9 Member(s) holding more than 50% of the total issued and outstanding Shares for at least three consecutive months may themselves convene an extraordinary general meeting. The calculation of the holding period of Shares and the number of Shares held by a Member shall be determined based on the shareholding on starting date of the book closed period.

17 Notice of General Meetings

- 17.1 Before the Company has acquired public company status, a notice in writing of a general meeting shall be given to all members as at the record date for the notice, at least fourteen days prior to the meeting, provided that:

- (a) An extraordinary general meeting may be called by shorter notice (but not shorter than two days) if so agreed by a Member or Members (or their proxies or representatives) holding in the aggregate, as at the record date for the meeting, shares representing at least seventy-five percent of the outstanding shares of the Company;
- (b) An annual general meeting or an extraordinary general meeting may be held without notice and without observing any of the requirements or provisions of these Articles concerning general meetings if so agreed by all the members (or their proxies or representatives) of the Company;

And agreements for the purposes of the foregoing paragraphs (a) or (b) may be reached before, during or within thirty days after the meeting concerned.

In the event the Company has acquired public company status, at least thirty days' notice to each Member shall be given of any annual general meeting, and at least fifteen days' notice to each Member shall be given of any extraordinary general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting, the manner in which the meeting shall be convened the general nature of the business and other relevant matters, and shall be given in the manner hereinafter mentioned, or be given via electronic means if agreed thereon by the Members, or be given in such other manner as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have

been duly convened if it is so agreed by all the Members (or their proxies) entitled to attend such general meeting.

- 17.2 Before the Company has acquired public company status, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.
- 17.3 After the Company has acquired public company status, the Company shall, at least thirty days prior to any annual general meeting, or at least fifteen days prior to any extraordinary general meeting (as the case may be), make public announcement of the notice of such general meeting, instrument of proxy, the businesses and their explanatory materials of any sanction, discussion, election or removal of Directors and transform such information into electronic format and transmitted the same to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the voting power in any general meeting will be exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member. The Directors shall prepare a meeting handbook of relevant general meeting and supplemental materials in accordance with the Applicable Public Company Rules at least twenty-one days prior to any general meeting (or at least fifteen days prior to any extraordinary general meeting), send to or make it available for the Members and transmitted the same to the Market Observation Post System. If the Company has more than NT\$10 billion dollars paid-in capital on the end of the most recent accounting period, or the shareholding percentages of the foreign investors and the PRC investors has exceeded 30% according to the Register of Members on the date of the annual general meeting held in the most recent accounting period, the Company shall complete the transmission of the above electronic files thirty days prior to any annual general meeting.
- 17.4 The Company shall prepare a meeting handbook of the relevant general meeting and supplemental materials available for inspection by the Members, which will be placed at the office of the Company and the Company's securities agent, distributed

at the meeting venue, and transmitted to the Market Observation Post System within the period required by the Applicable Public Company Rules.

17.5 Matters pertaining to

- (a) election or discharge of Directors,
- (b) alteration of the Articles,
- (c) reduction of capital,
- (d) application to cease public offering,
- (e) (i) dissolution, Merger (other than a Short-form Merger), Share Exchange (other than a Short-form Share Exchange) or Spin-off (other than a Short-form Spin-off), (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person, which has a material effect on the business operation of the Company, and
- (f) ratification of an action by Director(s) who engage(s) in business for himf/herf/itself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or a part of the dividend and bonus of the Company in the form of new Shares
- (h) distribution of the Legal Reserve and the Capital Reserve derived from the issuance of new shares at a premium or from endowments received by the Company to shareholders in the form of new Shares or cash, and
- (i) the Private Placement of any equity-type securities issued by the Company,

shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion, and the material content may be placed on the website specified by the R.O.C. competent

authorities of securities or by the Company, and the website address link shall be indicated in the notice.

- 17.6 The board of Directors shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's securities agent located in Taiwan. The Members may request, from time to time, by submitting document(s) evidencing his/her/its interests involved and indicating the designated scope of the inspection, access to inspect, review or make handwritten or mechanical copies of the foregoing documents, and the Company shall request its securities agent to provide the foregoing documents. If a general meeting is called by the board of Directors or any authorized person(s) other than the board of Directors or the person(s) who has called the meeting may request the Company or the securities agent to provide the Register of Members.
- 17.7 The Company shall make all statements and records prepared by the board of Directors and the report prepared by the Audit Committee, if any, available at the office of its registrar (if applicable) and its securities agent located in Taiwan in accordance with the Statute and the Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

18 Proceedings at General Meetings

- 18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Statute, the Articles and the Applicable Public Company Rules, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.
- 18.2 The board of Directors shall submit business reports, financial statements and proposals for distribution of profits or covering of losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the Members as required by the Statute, the Articles and the Applicable Public Company Rules, and the board of Directors shall distribute or make publicly available on the Market Observation Post System the copies of the

ratified financial statements and the Company's resolutions on the allocation and distribution of profits or covering of loss, to each Member.

- 18.3 Subject to the Statute, the Articles, and the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be no more than two and the total time postponed shall not exceed one hour. If the general meeting has been postponed two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.
- 18.4 If a general meeting is called by the board of Directors, the chairman of the board of Directors shall preside as the chair of such general meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the board of Directors shall act in lieu of the chairman. If there is no vice chairman of the board of Directors, or if the vice chairman of the board of Directors is also on leave of absence, or cannot exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a general meeting is called by any person(s) other than the board of Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.
- 18.5 A resolution put to the vote of the meeting shall be decided on a poll. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles.
- 18.6 In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.
- 18.7 In case the procedure for convening a shareholders' meeting or the method of adopting resolutions is in violation of the Statute, the Articles or the Applicable Public Company Rules, a shareholder may, within thirty (30) days from the date of

the resolution, submit a petition to competent court having proper jurisdiction (including the Taipei District Court, R.O.C.) for revocation of such resolution.

- 18.8 Unless otherwise expressly required by the Statute, the Articles or the Applicable Public Company Rules, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 18.9 Subject to the Applicable Public Company Rules, Member(s) holding 1% or more of the total number of issued, allotted, outstanding Shares immediately prior to the relevant book closed period may propose to the Company proposal(s) for discussion at an annual general meeting in writing or by means of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Other than any of the following situation occurs, proposals proposed by Member(s) shall be included in the agenda by the board of Directors where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) where the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed more than one proposal, (d) such proposal contains more than 300 words, or (e) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals. If the proposal(s) proposed by Member(s) is intended to improve the public interest or fulfil its social responsibilities of the Company, the board of Director may include such proposal(s) in the agenda.
- 18.10 Unless the Company has acquired public company status, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

19 Votes of Members

- 19.1 Subject to any rights or restrictions attached to any Shares, every Member who is present in person or by proxy shall have one vote for every Share of which he is the holder.
- 19.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record

date for such meeting and all calls or other monies then payable by him to the Company in respect of Shares have been paid.

- 19.3 Any objection raised to the qualification of any voter by a Member having voting rights shall be referred to the chairman who shall decide in accordance with the applicable laws.
- 19.4 Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.
- 19.5 A Member holding more than one Share is required to cast the votes in respect of his Shares in the same way on any resolution; provided that a Member who holds Shares for the benefit of others may, to the extent permissible by the provisions of the Statute, cast the votes of the Shares in different ways in accordance with the Applicable Public Company Rules.
- 19.6 Before the Company has acquired public company status, the Directors may determine in their discretion that the voting power of a Member at such general meeting may be exercised by way of a written ballot or by way of an electronic transmission. If a general meeting is to be held in Taiwan after the Company has acquired public company status, when convening a general meeting, the Company shall permit the Members to vote by way of an electronic transmission as one of the methods of exercising voting power as well as voting by way of a written ballot. Where these methods of exercising voting power are to be available at a general meeting, they shall be described in the general meeting notice given to the Members in respect of the relevant general meeting, and the Member voting by written ballot or electronic transmission shall submit such vote to the Company two days prior to the date of the relevant general meeting. In case that there are duplicate submissions, the first received by the Company shall prevail. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules. The chairman, acting as proxy of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the

original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.

- 19.7 A Member who has submitted a vote by written ballot or electronic transmission pursuant to Article 19.6 may, at least two days prior to the date of the relevant general meeting, revoke such vote in the same manner previously used in submitting the vote and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6. If a Member who has submitted a written ballot or electronic transmission pursuant to Article 19.6 does not submit such a revocation before the prescribed time, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6 shall not be revoked and the chairman of the general meeting shall exercise the voting right of such Member in accordance with that proxy.
- 19.8 If, subsequent to submitting a written ballot or electronic transmission pursuant to Article 19.6, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be a revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 19.6.

20 Proxies

- 20.1 An instrument of proxy shall be in writing, and be personally signed or sealed under the hand of the appointor, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 20.2 In addition to any restrictions provided by the Statute, the Articles and the Applicable Public Company Rules, obtaining an instrument of proxy for attendance of general meetings shall be subject to the following conditions:
- (a) the instrument of proxy shall not be obtained in exchange for money or any other interest, provided that this provision shall not apply to souvenirs for a

general meeting distributed on behalf of the Company or reasonable fees paid by the Solicitor to any person mandated to handle proxy solicitation matters;

- (b) the instrument of proxy shall not be obtained in the name of others; and
- (c) an instrument of proxy obtained through solicitation shall not be used as a non-solicited instrument of proxy for attendance of a general meeting.

- 20.3 After the Company has acquired public company status, except for the securities agent, a person shall not act as the proxy for more than thirty Members. Any person acting as proxy for three or more Members shall submit to the Company or its securities agent (a) a statement of declaration declaring that the instruments of proxy are not obtained for the purpose of soliciting on behalf of him/her/itself or others; (b) a schedule showing details of such instruments of proxy; and (c) the signed or sealed instruments of proxy, in each case, five days prior to the date of the general meeting.
- 20.4 The Company may mandate a securities agent to act as the proxy for the Members for any general meeting provided that no resolution in respect of the election of Directors is proposed to be voted upon at such meeting. Matters authorized under the mandate shall be stated in the instructions of the instruments of proxy for the general meeting concerned. A securities agent acting as the proxy shall not accept general authorisation from any Member, and shall, within five days after each general meeting of the Company, prepare a compilation report of general meeting attendance by proxy comprising the details of proxy attendance at the general meeting, the status of exercise of voting rights under the instrument of proxy, a copy of the contract, and other matters as required by the R.O.C. securities competent authorities, and maintain the compilation report available at the offices of the securities agent.
- 20.5 Except for a Member appointing the chairman of a general meeting as his proxy through written ballot or electronic transmission in the exercise of voting power pursuant to Article 19.6, or for trust enterprises organized under the laws of the R.O.C. or a securities agent approved pursuant to the Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period; any vote in respect of the portion in excess of such 3% threshold shall not be counted. For the avoidance of doubt, the number of the Shares to be represented by a securities

agent mandated by the Company in accordance with Article 20.4 shall not be subject to the limit of 3% of the total number of the outstanding voting Shares set forth herein.

- 20.6 The Shares represented by a person acting as the non-solicited proxy for three or more Members shall not be more than four times of the number of Shares held by such person and shall not exceed 3% of the total number of the outstanding Shares.
- 20.7 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his/her/its voting power by way of a written ballot or electronic transmission, he/she/it shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his/her/its previous appointment of proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 20.8 Each Member is only entitled to execute one instrument of proxy to appoint one proxy. The instrument of proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the general meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the general meeting at which the person named in the instrument proposes to vote. In case that there are duplicate instruments of proxy received from the same Member by the Company, the first instrument of proxy received by the Company shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous instrument of proxy in the later-received instrument of proxy.
- 20.9 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular general meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the Solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 20.10 At a general meeting, each instrument of proxy for such meeting shall be tallied and verified by the Company's securities agent or any other mandated securities agent

prior to the time for holding the general meeting. The following matters should be verified:

- (a) whether the instrument of proxy is printed under the authority of the Company;
- (b) whether the instrument of proxy is signed or sealed by the appointing Member;
and
- (c) whether the Solicitor or proxy (as the case may be) is named in the instrument of proxy and whether the name is correct.

20.11 The material contents required to be stated in the instruments of proxy, the meeting handbook or other supplemental materials of such general meeting, the written documents and advertisement of the Solicitor for proxy solicitation, the schedule of the instruments of proxy, the proxy form and other documents printed and published under the authority of the Company shall not contain any false statement or omission.

20.12 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office or at such other place as is specified for that purpose in the notice convening the general meeting, or in any instrument of proxy sent out by the Company, at least two days prior to the commencement of the general meeting, or adjourned general meeting at which it is sought to use the proxy. The notice must set out expressly the reason

for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.

20.13 A Member who has appointed a proxy shall be entitled to make a request to the Company or its securities agent for examining the way in which his instrument of proxy has been used, within seven days after the relevant general meeting.

20.14 If a general meeting is to be held outside of the R.O.C. after the Company has acquired public company status, the Company shall engage a professional securities agent within the R.O.C. to handle the voting by the Members.

21 Proxy Solicitation

Subject to the provisions of the Statute and the Articles, matters regarding the solicitation of proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

22 Dissenting Member's Appraisal Right

22.1 In the event any of the following resolutions is adopted at a general meeting, the Member, who has expressed his/her/its objection therefor, in writing or verbally with a record before or during the general meeting and forfeited his/her/its voting right may request the Company to buy back all of his/her/its Shares at the then prevailing fair price:

- (a) The Company enters into, amends, or terminates any agreement for lease of the Company's business in whole, or for the delegation of management of the

Company's business to other or for the regular joint operation of the Company with others;

- (b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) The Company accepts the transfer of the whole business or assets of another person, which has a material impact on the Company's business operations;
- (d) Spin-Off (other than a Short-form Spin-off);
- (e) Merger (other than a Short-form Merger);
- (f) Acquisition; or
- (g) Share Exchange (other than a Short-form Share Exchange).

22.2 Unless otherwise provided by the Applicable Public Company Rules and the Statute in the event of a Short-form Merger, a Short-form Spin-off, or a Short-form Share Exchange where at least 90% of the voting power of the outstanding shares of the Company are held by the other company participating in such Merger, Spin-off or Share Exchange, the Company shall deliver a notice to each of the Member immediately after the resolution of board of directors approving such Short-form Merger, Short-form Spin-off or Short-form Share Exchange and such notice shall state that any Member who expressed his/her/its objection against the Short-form Merger, Short-form Spin-off or Short-form Share Exchange within the specified period pursuant to the Applicable Public Company Rules may submit a written objection requesting the Company to buy back all of his/her/its Shares at the then prevailing fair price.

22.3 Subject to the Statute, the request prescribed in Articles 22.1 and 22.2 shall be delivered to the Company in writing, stating therein the types numbers and the repurchase price of Shares requested to be repurchased, within twenty days after the date of the relevant resolutions. In the event the requesting Member and the Company have reached an agreement in regard to the repurchase price of the Shares held by such Member (the "**Appraisal Price**"), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached with the dissenting Member, the Company shall pay the fair price it has recognized to such dissenting Member within ninety days since the

resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the dissenting Member.

22.4 Subject to the Statute, in the event that any Member requests the Company to buy back his/her/its Shares pursuant to Article 22.3, and the Company and the requesting Member fail to reach the agreement with respect to the Appraisal Price within sixty days after the resolution date, the Company shall apply to any competent R.O.C. court against all the dissenting Members as the opposing party within thirty days after the expiry of the sixty-day period for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the Appraisal Price.

22.5 Subject to the Statute, the payment of Appraisal Price and the delivery of Share Certificates shall comply with the Applicable Public Company Rules.

23 Corporate Members

A Member, who is a corporation, organization or non-natural person entity, may in accordance with its constitutional documents, or in the absence of relevant provision in its constitutional documents by resolution of its board of directors or other governing body, authorise a person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporate Member which he represents as the corporation could exercise if it were an individual Member.

24 Shares that May Not be Voted

24.1 Shares in the Company that are held by such Company (including held through such Company's Subsidiaries) shall not vote, directly or indirectly, at any general meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

24.2 A Member who has a personal interest in any matter discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such matter but such Shares shall be counted in for calculating the number of Shares of the Members present at such

general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

- 24.3 If a Director creates or has created security over any Shares held by such Director, such Director shall notify the Company of such security. If at any time the number of the pledged Shares held by a Director exceeds half of the Shares held by such Director at the time of his appointment, then the voting rights attached to the Shares held by such Director at such time shall be reduced, such that the Shares over which security has been created which are in excess of half of the Shares held by such Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Member at a general meeting.

25 Directors

- 25.1 There shall be a board of Directors consisting of no less than five (5) persons and no more than nine (9) persons, including Independent Directors, each of whom shall be appointed to a term of office of three (3) years and is eligible for re-election. The Company may from time to time by resolution of the board of Directors increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met. In the event of any vacancy in the board of Directors or an increase in the number of Directors of the Company, the new Director elected at the general meeting shall fill the vacancy for the residual term of office.
- 25.2 Unless otherwise approved by FSC, not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.
- 25.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 25.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided in Article 25.2 hereof. Any person who has already served as Director but is in violation of the aforementioned requirements shall be removed from the position of Director automatically.
- 25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least two (2) of the Independent Directors shall be

domiciled in the R.O.C. and at least one of the Independent Directors shall have accounting or financial expertise.

- 25.5 Independent Directors shall have professional knowledge and shall maintain independence in discharging their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.
- 25.6 Any Member(s) holding 1% or more of the Company's issued Shares for at least six (6) consecutive months may in writing request the Independent Directors of the Audit Committee to bring action against the Directors on behalf of the Company in a court of competent jurisdiction (including the Taipei District Court, R.O.C.) as the court of first instance. If the Independent Directors fail to bring such action within thirty days after the request by the Member, such Member may bring the action in a court of competent jurisdiction as the court of first instance in the name of the Company.

26 Powers of Directors

- 26.1 Subject to the provisions of the Statute, the Articles, the Applicable Public Company Rules and to any directions given by Ordinary Resolution, Special Resolution or Supermajority Resolution, the business of the Company shall be managed by the board of Directors who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the board of Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of the board of Directors at which a quorum is present may exercise all powers exercisable by the board of Directors.
- 26.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the board of Directors shall determine by resolution.
- 26.3 The board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such

securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

- 26.4 The Company may purchase liability insurance for Directors and the board of Directors shall determine the terms of such insurance by resolution, taking into account the standards of the industry in the R.O.C. and overseas.
- 26.5 The Directors shall faithfully carry out their duties with care, and may be held liable for the damages suffered by the Company for any violation of such duty. The Company may by Ordinary Resolution of any general meeting, to the maximum extent legally permissible, demand the Directors, who violate such duties, to disgorge any profit realised from such violation and regard the profits realised as the profits of the Company as if such violation was made for the benefit of the Company. The Directors shall, to the maximum extent legally permissible, indemnify the Company for any losses or damages incurred by the Company if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The Directors and the Company shall jointly and severally indemnify the third party for any losses or damages incurred by such third party if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The aforementioned duties of the Directors shall also apply to the managers of the Company.

27 Appointment and Removal of Directors

- 27.1 The Company may by a majority or, if less than a majority, the most number of votes, at any general meeting elect a Director, which vote shall be calculated in accordance with Article 27.2 below. The Company may by Supermajority Resolution remove any Director. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect Director(s).
- 27.2 After the Company has acquired public company status, Directors shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, the procedures for which has been approved and adopted by the board of Directors and also by an Ordinary Resolution, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors to be elected ("**Special Ballot Votes**"), and the total number of Special Ballot Votes casted by any Member may be consolidated for election of one Director candidate or may be split for election amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. There shall not be votes

which are limited to class, party or sector, and any Member shall have the freedom to specify whether to consolidate all of its votes on one or any number of candidate(s) without restriction. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director elect, and where more than one Director is being elected, the top candidates to whom the votes cast represent a prevailing number of votes relative to the other candidates shall be deemed directors elect. The rule and procedures for such cumulative voting mechanism shall be in accordance with policies proposed by the board of Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles and the Applicable Public Company Rules.

- 27.3 The Directors may adopt a candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination shall be in accordance with policies proposed by the board of Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules. Such candidate nomination mechanism in compliance with Applicable Public Company Rules shall also be used for elections of Directors and Independent Directors in the event the Company has acquired public company status in accordance with Applicable Public Company Rules.
- 27.4 If a Member is judicial person, the authorised representative of such Member may be elected as Director. If such Member has more than one authorised representative, each of the authorised representatives of such Member may be elected as Directors respectively.
- 27.5 Notwithstanding anything to the contrary in Article 27.1 to 27.4, unless the Company has acquired public company status in accordance with Applicable Public Company Rules, the Company may by Ordinary Resolution appoint any person to be a Director or may by Ordinary Resolution remove any Director.

28 Vacation of Office of Director

- 28.1 Notwithstanding anything in the Articles to the contrary, the Company may from time to time remove all Directors from office before the expiration of their term of office and may elect new Directors in accordance with Article 27.1. and unless a resolution of a shareholders' meeting provides otherwise, all the Directors shall be

deemed to have been removed upon such election of new Directors prior to the expiration of such Director's applicable term of office.

28.2 In the event of any of the following events having occurred in relation to any Director, such Director shall be vacated automatically:

- (a) he/she/it gives notice in writing to the Company to resign the office of Director;
- (b) he/she/it dies, becomes bankrupt or makes any arrangement or composition with his/her/its creditors generally;
- (c) an order is made by any competent court or official on the grounds that he/she is or will be suffering from mental disorder or is otherwise incapable of managing his/her affairs, or his/her legal capacity is restricted according to the applicable laws;
- (d) he/she/it commits an offence as specified in the Statute for Prevention of Organizational Crimes and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of the sentence, the expiration of probation period, or the pardon of such punishment is less than five years;
- (e) he/she/it commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently punished with imprisonment for a term of more than one year, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of such sentence, the expiration of probation period, or the pardon of such punishment is less than two years;
- (f) he/she/it commits an offence as specified in the Anti-Corruption Act and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of such sentence, the

expiration of probation period, or the pardon of such punishment is less than two years;

- (g) he/she/it is dishonoured for use of credit instruments, and the term of such sanction has not expired yet;
- (h) he/she/it is declared bankrupt or is subject to liquidation procedure adjudicated by a court, and his/her/its rights have not been resumed yet;
- (i) he/she has limited legal capacity or is legally incompetent;
- (j) he/she is subject to the commencement of assistance by a court and the court and those orders have not yet been revoked;
- (k) the Members resolve by a Supermajority Resolution that he/she/it should be removed as a Director;
- (l) after the Company has acquired public company status, during the term of office as a Director (excluding Independent Directors), he/she/it has transferred more than one half of the company's shares being held by him/her/it at the time he/she is elected; or
- (m) subject to the provisions of the Statute, and the Articles or the Applicable Public Company Rules, in the event that he/she/it has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in violation of material items as prescribed in the applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of issued, outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court (including the Taipei District Court, R.O.C.) for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing

matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court.

In the event that the foregoing events described in any of clauses (b), (c), (d), (e), (f), (g), (h), (i) or (j) has occurred in relation to a Director elect, such Director elect shall be disqualified from being elected as a Director.

If any director(excluding Independent Directors) after having been elected and before his/her/its inauguration of the office of Director, has transferred more than one half of the total number of shares of the company he/she/it holds at the time of his/her/its election as such; or had transferred more than one half of the total number of shares he/she/it held within the book closed period prior to the convention of a shareholders' meeting, then his/her/its election as a Director shall become invalid.

29 Proceedings of Directors

- 29.1 The quorum for the transaction of the business of the board of Directors may be fixed by the board of Directors and unless so fixed shall be over one half of the total number of Directors elected. If the number of Directors is less than five (5) persons due to the vacation of Director(s) for any reason, the Company shall hold an election of Director(s) to fill the vacancies at the next following general meeting. When the number of vacancies in the board of Directors of the Company is equal to one third of the total number of Directors elected, the board of Directors shall hold, within sixty days, a general meeting of Members to elect succeeding Directors to fill the vacancies.
- 29.2 Unless otherwise provided by the Statute, the Articles, or the Applicable Public Company Rules, if the number of Independent Directors is less than three due to the vacation of Independent Directors for any reason, the Company shall hold an election of Independent Directors to fill the vacancies at the next following general meeting. Unless otherwise permitted by the Applicable Public Company Rules, if all of the Independent Directors are vacated, the board of Directors shall hold, within sixty days, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 29.3 Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, the Directors may regulate their proceedings as they think fit. Any

motions shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.

- 29.4 A person may participate in a meeting of the board of Directors or committee of Directors by video conference. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. The time and place for a meeting of the Directors or committee of Directors shall be at the office of the Company and during business hours or at a place and time convenient to the Directors and suitable for holding such meeting.
- 29.5 The chairman or other authorized officer of the Company may call a meeting of the board of Directors by at least one day's notice in writing (which may be a notice delivered by facsimile transmission or electronic mail) to every Director which notice shall set forth the general nature of the business to be considered. In the event the Company has acquired public company status in accordance with the Applicable Public Company Rules, unless otherwise permitted by the Applicable Public Company Rules, the chairman of the board shall call a meeting of the board of Director by at least seven days' notice in writing (which may be a notice delivered by facsimile transmission or electronic mail) to every Director. In the event of an urgent situation, a meeting of the board of Directors may be held at any time after notice has been given in accordance with the Applicable Public Company Rules.
- 29.6 The continuing Directors may act notwithstanding any vacancy in other Directors' office, but if and so long as the number of continuing Directors is below the minimum number of Directors fixed by or pursuant to the Articles, the continuing Directors or Director may act only for the purpose of summoning a general meeting of the Company, but for no other purpose.
- 29.7 The board of Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the board of Directors and report such rules to a meeting of Members, and such rules shall be in accordance with the Articles and the Applicable Public Company Rules.
- 29.8 Subject to the Statute, with respect to all acts done by any meeting of the board of Directors or of a committee of Directors, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or

any of them were disqualified, the effectiveness of the acts shall be determined in accordance with the applicable laws.

29.9 A Director may be represented at any meetings of the board of Directors by a proxy appointing another director in writing by him/her/it. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

30 Directors' Interests

30.1 A Director (except for Independent Directors) may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Compensation Committee (as defined in Article 32.10) shall present its recommendations to the board of Directors for discussion and approval.

30.2 The Directors may be paid remuneration only in cash. The amount of such remuneration shall be recommended by the Compensation Committee and determined by the board of Directors, and take into account the extent and value of the services provided for the management of the Company and the standards of the industry in the R.O.C. and overseas. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the board of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive salaries in respect of their service as Directors as may be recommended by the Compensation Committee and determined by the board of Directors, or a combination partly of one such method and partly another, provided that any such determination shall be in accordance with the Applicable Public Company Rules.

30.3 Unless prohibited by the Statute, the Articles or by the Applicable Public Company Rules, a Director may act on behalf of the Company to the extent authorized by the Company. Such Director or his/her/its firm shall be entitled to such remuneration for professional services as if he/she/its were not a Director.

30.4 A Director who engages in conduct either for himself/herself/itself or on behalf of another person within the scope of the Company's business, shall disclose to Members, at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general

meeting by a Supermajority Resolution vote. In case a Director engages in business conduct for himself/herself/itself or on behalf of another person in violation of this provision, the Members may, by an Ordinary Resolution, to the maximum extent legally permissible, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.

- 30.5 A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose to the meeting the material information of such interest; provided that in the event a Director's spouse or any second degree relatives, or company(s) with controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a meeting, the said Director shall be deemed to have a personal interest in such matter. A Director who has a conflict of interest which may impair the interest of the Company shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed M&A by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting the nature of such director's personal interest and the reason(s) for the approval or objection to the proposed resolution.

31 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

32 Delegation of Directors' Powers

- 32.1 Subject to the Applicable Public Company Rules, the Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him/her/it provided that the appointment of a managing director shall be revoked forthwith if he/she/it ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Unless otherwise provided by the Statute or the Applicable Public Company Rules, the proceedings of a committee of

Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

- 32.2 The Directors may establish any committees or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees. Any such appointment may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 32.3 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.
- 32.4 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.
- 32.5 The Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by resolution of the Directors.
- 32.6 Notwithstanding anything to the contrary contained in this Articles 32.1 to 32.11, unless otherwise permitted by the Applicable Public Company Rules, the Directors shall establish an Audit Committee (the “**Audit Committee**”) comprised of all of the Independent Directors, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. A resolution of the Audit Committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the Audit Committee shall be in accordance with policies

proposed by the members of the Audit Committee and passed by the Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC or TWSE or TPEX(as applicable), if any. The Directors shall, by a resolution, adopt a charter for the Audit Committee in accordance with these Articles and the Applicable Public Company Rules.

32.7 Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the board of Directors for resolution:

- (a) Adoption or amendment of an internal control system of the Company;
- (b) Assessment of the effectiveness of the internal control system;
- (c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading,

extension of monetary loans to others, or endorsements or guarantees on behalf of others;

- (d) A matter where a Director has a personal interest;
- (e) A material asset or derivatives transaction;
- (f) A material monetary loan, endorsement, or provision of guarantee;
- (g) The offering, issuance, or Private Placement of any equity-type securities;
- (h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) The appointment or removal of a financial, accounting, or internal auditing officer;
- (j) Annual financial reports and second-quarter financial reports that shall be audited and attested by a certified public accountant;
- (k) Any other matters so determined by the Company from time to time or required by any competent authority overseeing the Company; and
- (l) Any other matters in accordance with the Applicable Public Companies Rules.

Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the Audit Committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

- 32.8 Prior to the commencement of the meeting of Board of Directors to adopt any resolution of M&A, the Company shall have the Audit Committee review the fairness and reasonableness of the plan and transaction of the M&A, and then report the results of the review to the Board of Directors and the general meeting unless the resolution by the general meeting is not required by the Statute. During the review, the Audit Committee shall seek opinions from an independent expert on the justification of the share exchange ratio or distribution of cash or other assets. The results of the review of Audit Committees and opinions of independent experts shall be sent to the Members together with the notice of the general meeting. In the event

that the resolution by the general meeting is not required by the Statute, the Board of Directors shall report the foregoing at the next closest general meeting.

- 32.9 With respect to the documents that need to be sent to the Members as provided in the preceding Article, in the event that the Company posts the same documents on the website designated by the R.O.C. competent authorities of securities and also prepares and places such documents at the venue of the general meeting for the Members' review, then those documents shall be deemed as having been sent to the Members.
- 32.10 The Directors shall establish a Compensation Committee (the "**Compensation Committee**") in accordance with the Applicable Public Company Rules. The number of members of the Compensation Committee, professional qualifications, restrictions on shareholdings and position that a member of the Compensation Committee may concurrently hold, and assessment of independence with respect to the members of the Compensation Committee shall comply with the Applicable Public Company Rules. The Compensation Committee shall comprise of no less than three members, one of which shall be appointed as convener of the Compensation Committee. The rules and procedures for convening any meeting of the Compensation Committee shall comply with policies proposed by the members of the Compensation Committee and approved by the Directors from time to time, provided that the rules and procedures approved by the Directors shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and any directions of the FSC or TWSE or TPEX (as applicable). The Directors shall, by a resolution, adopt a charter for the Compensation Committee in accordance with these Articles and the Applicable Public Company Rules.
- 32.11 The compensation referred in the preceding Article shall include the compensation, salary, stock options and other incentive payment to the Directors and managers of the Company. Unless otherwise specified by the Applicable Public Company Rules, the managers of the Company for the purposes of this Article 32.11 shall mean executive officers as defined by the rules and procedures governing the Compensation Committee.

33 Seal

- 33.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised

by the Directors. The use of Seal shall be in accordance with the use of Seal policy adopted by the Directors from time to time.

- 33.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals, each of which shall be a facsimile of the common Seal of the Company and kept under the custody in accordance with the Seal policy adopted by the Directors, and if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- 33.3 A person authorized in accordance with the Seal policy adopted by the Directors may affix the Seal over his signature alone to any document of the Company required to be authenticated by him/her/it under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

34 Dividends, Distributions and Reserve

- 34.1 The Company shall set aside 8 % to 15 % of its annual net income before tax, the bonus to employees and the bonus to Directors, as bonus to employees of the Company and set side no more than 5 % of its annual net income before tax, the bonus to employees and the bonus to Directors, as bonus to Directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The distribution of bonus to employees may be made by way of cash or Shares, which may be distributed under an incentive programme approved pursuant to Article 11.1 above. The employees under Article 34.1 may include certain employees of its Taiwan or foreign controlling companies or Subsidiaries who meet the conditions prescribed by the Company. The distribution of bonus to employees shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and shall be reported to the Members at the general meeting. A Director who also serves as an executive officer of the Company and/or its Taiwan or foreign controlling companies or Subsidiaries may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.
- 34.2 As the Company is in the growing stage, the dividend distribution may take the form of a cash dividend and/or stock dividends and shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure and funds requirement for sustainable development needs etc. If the Directors determine to distribute profits, the Directors shall prepare the proposal for distribution of profits and such proposal shall be approved by the Members by an Ordinary Resolution at any general meeting. The Directors shall prepare such proposal as follows: (a) the

Company shall set aside all taxes that legally required to be paid; and (b) offset its losses in previous years that have not been previously offset (if any); and (c) set aside or reverse a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by relevant authorities. Except otherwise stipulated by the applicable laws and the Applicable Public Company Rules, the Directors may propose profit distribution plan in connection with the retained earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (c) above plus the previously cumulative undistributed retained earnings), for approval at the meetings of the shareholders. The distribution of retained earnings may proceed by way of cash dividend or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro-rata to the Members. If the Directors determine to distribute profits, the total amount of Dividends shall not be lower than 40% of the net profit of the then current year after deducting the items (a) to (c) above, and provided the total amount of cash dividend to be distributed shall be no lower than 10% of the aggregate dividend distributed to shareholders.

- 34.3 Subject to the Statute and the Articles, and the Applicable Public Company Rules, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.
- 34.4 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.
- 34.5 Subject to the Statute, the Articles and the Applicable Public Company Rules, the Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any account.
- 34.6 Subject to the Statute, the Articles and the Applicable Public Company Rules, the Directors may, after obtaining an Ordinary Resolution, declare that any distribution other than a Dividend be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine

that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

- 34.7 Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 34.8 No Dividend or distribution shall bear interest against the Company.
- 34.9 Subject to the Statute, the Articles and the Applicable Public Company Rules, any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.
- 34.10 Subject to the Statute, the Company may distribute to the Members, in the form of cash, all or a portion of its dividends and bonuses, Legal Reserve and/or capital reserve derived from issuance of new shares at a premium or from endowments received by the Company by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, and shall subsequently report such distribution to a shareholders' meeting.

35 Capitalisation

Subject to Article 14.2(d), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of

all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

36 Tender Offer

After the receipt of the copy of a tender offer application form, the prospectus and relevant documents by the Company or its litigation or non-litigation agent appointed, the board of the Directors shall handle the relevant matters pursuant to the Applicable Public Company Rules.

37 Books of Account

- 37.1 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 37.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
- 37.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by the Statute, the Articles and the Applicable Public Company Rules.
- 37.4 Subject to applicable law, after the Company becomes a public company, minutes and written records of all meetings of Directors, any committees of Directors, and any general meeting shall be made in the Chinese language, and an English translation may be attached. In the event of any inconsistency between the Chinese language version and the relevant English translation, the Chinese language version shall prevail, except in the case where a resolution is required to be filed with the

Registrar of Companies of Cayman Islands, in which case the English language version shall prevail.

- 37.5 Subject to the Statute, the instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member initiates a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one year.

38 Notices

- 38.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent by airmail.
- 38.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable, or telex, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 38.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or

at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

- 38.4 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

39 Winding Up

- 39.1 If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
- 39.2 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and in compliance with the Applicable Public Company Rules, divide amongst the Members in proportion to the number of Shares they hold the whole or any part of the assets of the Company in kind (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the

like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

40 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

41 Litigation and Non-Litigation Agent in the R.O.C.

Subject to the provisions of the Statute, the Company shall, by a resolution of the Directors, appoint or remove a natural person domiciled or resident in the territory of the R.O.C. to be its litigation and non-litigation agent in the R.O.C., pursuant to the Applicable Public Company Rules, and under which the litigation and non-litigation agent shall be the responsible person of the Company in the R.O.C. The Company shall report such appointment and any change thereof to the competent authorities in the R.O.C. pursuant to the Applicable Public Company Rules.

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【 Appendices 3 】 Principles of Practice for Sustainable Development (before amendment)

Chapter 1. General Principles

Article 1

In order to assist companies listed on the Taiwan Stock Exchange Corporation ("TWSE") and Taipei Exchange ("TPEX") (collectively referred to as "TWSE/TPEX listed companies") to fulfill their corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the TWSE and TPEX hereby jointly adopt the Principles to be followed by TWSE/TPEX listed companies.

TWSE/TPEX listed companies are advised to promulgate their own sustainable development principles in accordance with the Principles to manage their economic, environmental and social risks and impact.

Article.2

The Principles apply to TWSE/TPEX listed companies, including the entire operations of each such company and its business group.

The Principles encourage TWSE/TPEX listed companies to actively fulfill sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article.3

In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders

and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article.4

To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article.5

The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2. Exercising Corporate Governance

Article.6

The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Code of Ethical Conduct for TWSE/TPEX Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article.7

The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to give full consideration to the interests of

stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives;
and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article.8

The Company is advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article.9

For the purpose of managing sustainable development initiatives, the Company is advised to create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration

arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article.10

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper

communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3. Fostering a Sustainable Environment

Article.11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article.12

The Company is advised to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article.13

The Company are advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article.14

The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article.15

The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article.16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid

polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article.17

The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4. Preserving Public Welfare

Article.18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of

discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall

be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article.19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article.20

The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for their employees on a regular basis.

Article.21

The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article.22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express

their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article.22-1

The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article.23

The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in

the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article.24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article.25

The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article.26

The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether

there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article.27

The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5. Enhancing Disclosure of Corporate Social Responsibility Information

Article.28

The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which thw Company shall disclose

includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.

Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.

Other information relating to sustainable development initiatives.

Article.29

The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development

policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6. Supplementary Provisions

Article.30

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31

This Practice Principles shall be implemented after the resolution of the board of directors, and the same shall apply when it is amended.

This Practice Principles were formulated on September 29, 2020.

The first amendment was on May 11, 2022.

【Appendices 4】 Corporate Governance Best Practice Principles (before amendment)

Chapter I General Principles

Article 1 (Purpose)

The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by TWSE and TPEX listed companies, to assist them in establishing sound corporate governance systems and promote sound development of the securities market.

TWSE/TPEX listed companies are advised to formulate their own corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS).

Article 2 (Principles for corporate governance)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the Company, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 (Establishment of internal control system)

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct

continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. the Company is advised to establish channels and mechanisms of communication between their independent directors, audit committees or supervisors, and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1 (Personnel responsible for corporate governance affairs)

The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to oversee corporate

governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and supervisors
4. Furnishing information required for business execution by directors and supervisors
5. Assisting directors and supervisors with legal compliance
6. Other matters set out in the articles of incorporation or contracts

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Protection of Shareholders' Rights and Interests)

The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5 (A TWSE/TPEX listed company convenes shareholder meetings and formulate complete rules of procedure)

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company

shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of The Company shall comply with laws, regulations and articles of incorporation.

Article 6 (The board of directors of a TWSE/TPEX listed company should properly arrange the topics and procedures of the shareholders' meeting)

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 (A TWSE/TPEX listed company should encourage shareholders to participate in corporate governance)

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and

shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8 (Shareholders meeting minutes)

Shareholders Meeting Minutes, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or supervisors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9 (The chairman of the shareholders' meeting should fully understand and abide by the company's rules of procedure)

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting,

by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (The Company should pay attention to the rights of shareholders and prevent insider trading)

The company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 10-1

It is advisable that the company report at a general shareholder meeting the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews.

Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions

and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12 (Significant financial and business actions should be approved by the shareholders' meeting)

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter. The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 (A TWSE/TPEX listed company should have dedicated personnel to properly handle shareholder suggestions)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable

laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain

shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14 (Establishment of firewalls)

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 (A manager may not serve as a manager of affiliated enterprises)

Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 (Establishment of sound systems for management of finance, operations, and accounting)

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 (Business transactions between TWSE/TPEX listed companies and their affiliated companies shall be based on the principle of fairness and reasonableness)

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms

shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

Transactions or contracts between the Company and related parties and their shareholders shall also be handled in accordance with the preceding principle, and transfer of benefits is strictly prohibited.

Article 18 (Things that a corporate shareholder having controlling power over a TWSE/TPEX listed company shall comply with)

A corporate shareholder having controlling power over a TWSE/TPEX listed company shall comply with the following provisions:

It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.

Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.

It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.

It shall not improperly intervene in corporate policy making or obstruct corporate management activities.

It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.

The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (Register of major shareholders and the persons with ultimate control over those major shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease

of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 (Abilities that the board of directors shall possess)

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the

company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.

Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21 (A TWSE/TPEX listed company should formulate fair, just and open director selection procedures)

The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or

changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 (The articles of association clearly adopt the candidate nomination system to elect directors)

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (The board of directors of a TWSE/TPEX company shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of a TWSE/TPEX listed company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 (A TWSE/TPEX listed company shall appoint independent directors in accordance with its articles of incorporation)

The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall

also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25 (Issues that should be submitted to the resolution of the board of directors)

The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or

disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.

3.A matter bearing on the personal interest of a director or a supervisor.

4.A material asset or derivatives transaction.

5.A material monetary loan, endorsement, or provision of guarantee.

6.The offering, issuance, or private placement of any equity-type securities.

7.The hiring, discharge, or compensation of an attesting CPA.

8.The appointment or discharge of a financial, accounting, or internal auditing officer.

9.Any other material matter so required by the competent authority.

Article 26 (A TWSE/TPEX listed company should clearly define the scope of duties of independent directors)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 (Set up functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit

committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 (A TWSE/TPEX listed company shall establish either an audit committee or a supervisor)

The Company shall establish either an audit committee or a supervisor.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1 (A TWSE/TPEX listed company shall establish a remuneration committee)

The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2 (A TWSE/TPEX listed company is advised to establish a nomination committee)

The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson

Article 28-3 (A whistleblowing system)

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles

whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29 (Improve the quality of the financial reports)

To improve the quality of its financial reports, The Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 (Provide appropriate legal services for the Company)

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any

infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 (Convocation of the board of directors)

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 (Company directors shall exercise a high degree of self-discipline)

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate

in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent directors and the board)

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.

The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 (Minutes of the meetings of the board of directors)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director

attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 (Matters shall be submit to board of directors for discussion)

The Company shall submit the following matters to its board of directors for discussion:

Corporate business plans.

1. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
2. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as

acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

4. The offering, issuance, or private placement of any equity-type securities.
5. The performance assessment and the standard of remuneration of the managerial officers.
6. The structure and system of director's remuneration.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
9. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 (It shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions)

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 (Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by

law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A

performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1 (Establishment of a succession plan for the management.)

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2 (Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38 (Request of shareholders or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution)

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the

resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

Article 39 (Liability insurance of directors)

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The Company listed company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40 (Members of the board of directors participate in training courses)

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter Powers and Obligations of Supervisors

Article 41 (Members of the board of directors participate in training courses)

A supervisor shall supervise the implementation of the operations of the company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the company, a supervisor shall act as the representative of the company. In the event that the company has set up an audit committee, an independent

director member of the audit committee shall act as the representative of the company in the above situation.

Chapter V Respecting Stakeholders' Rights

Article 42

(A TWSE/TPEX listed company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith

Article 43 (Company shall provide sufficient information to banks and its other creditors.)

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 44 (A TWSE/TPEX listed company shall establish channels of communication with employees)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 45 (Company's social responsibility)

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Article 46

Disclosure of information is a major responsibility of a TWSE/TPEX listed company. A TWSE/TPEX listed company shall perform its obligations faithfully in accordance with the relevant

laws and the related TWSE and TPEX rules.

A TWSE/TPEX listed company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline. The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 47 (A TWSE/TPEX listed company shall appoint a spokesperson)

In order to enhance the accuracy and timeliness of the material information disclosed, a TWSE/TPEX listed company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 48 (Establishment of corporate governance website)

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 49 (The manner of holding an investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

Section 2 Disclosure of Information on Corporate Governance

Article 50 (disclosure of information regarding corporate governance)

The Company shall dedicate a space on its website to disclose and update from time to time the

following information regarding corporate governance:

1. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
2. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
3. Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
4. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Chapter VII Supplementary Provisions

Article 51 (Monitoring domestic and international developments in corporate governance)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 52

This Practice Principles were formulated on September 29, 2020.

The first amendment was on May 11, 2022 (approved by the board of directors of the Company).

【Appendices 5】 Procedures for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of 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 selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation 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 shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. For the purpose of

examining the qualifications of director candidates, no other qualification documents shall be added arbitrarily except for qualifications, educations, career background, and whether there are any items listed in Article 30 of the Company Law of the Republic of China. The examination results shall be provided to shareholders for reference to select qualified directors.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, Subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors 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 8

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

If the candidate is a shareholder, the voter must fill in the candidate's household name and shareholder's household number in the candidate column of the election ticket; If he is not a shareholder, the name and identification document number of the candidate should be filled in. When the candidate is the single government shareholder or a single juristic person shareholder, the household name column of the candidate in the election ticket should include the name of the single

government shareholder or a single juristic person shareholder, as well as the name of the single government shareholder or a single juristic person shareholder and the name of its representative; When there are multiple representatives, the names of the representatives should be added separately.

Article 11

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. If the candidate is a shareholder, the household name and shareholder's household number do not match with the shareholder roster; if the candidate is not a shareholder, the name and identification document number are inconsistent after verification.
5. Other words or marks are entered in addition to the candidate's household name (name) or shareholder's household number (identification document number) and the number of voting rights allotted.
6. The name of the candidate filled in is the same as that of other shareholders, but the shareholder household number or identifiable id number is not filled in.

Article 12

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 the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 one 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 13

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 14

These Procedures, and any amendments hereto, shall be implemented after consent by the board of directors and approval by a shareholders meeting.

【Appendices 6】 Shareholdings of All Directors

Date of Transfer Cessation: May 2, 2023

Title	Name	Number of shares held in the register of shareholders on the date of transfer cessation	Note
Chairman	Abico Avy Co., Ltd. Representative: Hu, Shiang-Chi	4,000,000	
Director	Abico Avy Co., Ltd. Representative: Tong, Chun-Jen		
Director	Abico Avy Co., Ltd. Representative: Tong, Chun-Yi		
Director	Abico Avy Co., Ltd. Representative: Obara Masami		
Director	Sugiyama Shimpei	0	
Director	Yuya Takahashi	0	
Independent director	Chen, Wei-Yue	0	
Independent director	Lin, Tian-Song	0	
Independent director	Che-Sheng Chen	0	
Total		4,000,000	

Note:

1. The paid-in capital of the Company is NT\$ 292,564,080, and the number of issued shares is 29,256,408.
2. All directors of the Company should legally hold 3,510,768 shares and held 4,000,000 shares as of May 2nd, 2023.

【Appendices 7】 Miscellaneous

- I. The impact of this gratuitous allotment of shares on the Company's operating performance, earnings per share and shareholders' return on investment:

Not applicable. The Company did not allot shares without consideration this year.

- II. Explanation of the acceptance of shareholder proposal rights at this shareholders' meeting:

1. According to Art. 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and the number of words of a proposal shall be limited to not more than three hundred (300) words, and in case a proposal contains more than one matter or three hundred (300) words, such proposal shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
2. The period for accepting such proposals is from April 14, 2023 to April 24, 2023, 17:00. This has been announced in the Market Observation Post System in accordance with laws and regulations.
3. The company has not received any shareholders' proposal during the period for accepting such proposals.