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

# **2025 General Shareholders' Meeting**

## **Meeting Handbook**

June 30,2025

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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. Discussion Items
6. Ad Hoc Motions
7. Meeting Adjournment

## **II. Meeting Agenda**

### **IKKA HOLDINGS (CAYMAN) LIMITED**

### **第一化成控股（開曼）股份有限公司**

### **2025Annual Shareholders Meeting Agenda**

Date: Monday, 10:00 am on June 30, 2025

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) 2024 operation and business report.
- (ii) 2024 audit committee's audit report.
- (iii) 2024 remuneration to directors and employees.
- (iv) The Company's earnings distribution for year 2024.
- (v) Amendments to the "Corporate Governance Best Practise Principles" report.

#### **4. Matters for Recognition**

- (i) The Company's operational and business report and consolidated financial statements for year 2024.
- (ii) The Company's earnings distribution table for year 2024.

#### **5. Discussion Items**

- (i) Amendments to the "Articles of Incorporation" report.
- (ii) Amendments to the "Procedures for Lending Funds to Others" report.
- (iii) Proposal for the issuance of new shares through capital increase from the earnings for the year 2024.

#### **6. Ad Hoc Motions**

#### **7. Meeting Adjournment**

### **III. Matters to Report**

#### **Report No.1**

Case: 2024 Operation and Business Report.

Explanation:

- (i) Please refer to Exhibit 1 (p.13) for the 2024 operation and business report of the Company.
- (ii) Please review and approve.

#### **Report No.2**

Case: 2024 Audit Committee's Audit Report.

Explanation:

The 2024 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 2024. 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,

2025 Annual Shareholders Meeting of IKKA HOLDINGS (CAYMAN)  
LIMITED

IKKA HOLDINGS (CAYMAN) LIMITED

Audit Committee Convenor: Chen, Wei-Yue

March 12, 2025

### **Report No.3**

Case: 2024 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 2024 is NT\$220,655,789. According to the Company's Articles of Association, the employee's remuneration for 2024 is NT\$22,065,579 (10%), and the Director's remuneration is NT\$5,516,395 (2.5%), both of which are paid in cash.

### **Report No.4**

Case: The Company's earnings distribution for year 2024

Explanation:

- (i) The net profit after tax for the year was NTD 191,665,626. The beginning of the year was NTD 467,757,816 for Unappropriated retained earnings, after adding adjustments of NTD 22,438,548 from the disposal of equity instruments measured at fair value to retained earnings, the distributable earnings for the current period was NTD 681,861,990. It is proposed to distribute a stock dividend of NTD 0.5 per share and a cash dividend of NTD 3.5 per share to shareholders. Please refer to Exhibit 3 (p.28) for the distribution of earnings.
- (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) After the Board of Directors approves the cash dividends distribution proposal, the Chairman is authorised to set another interest distribution base date, payment date, and other related matters.
- (iv) This earnings distribution proposal is before the share distribution and 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 authorise the Chairman to handle it with full authority.

- (v) 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: Amendments to the “Corporate Governance Best Practise Principles” report.

Explanation: According to the letter No. 1130015652 issued by Taiwan Stock Exchange Corporation on 23 August 2024, please refer to Exhibit 4 (p.30) for the revised comparison table.



## **IV. Matters for Recognition**

### **Proposal No.1 (Proposed by the Board)**

Proposal: The Company's Operational and Business Report and Consolidated Financial Statements for 2024.

Explanation:

- (i) The consolidated financial statements of the Company and its subsidiaries for the year 2024 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 (p.17~p.27)

Resolution:

### **Proposal No.2 (Proposed by the Board)**

Proposal: The Company's Earnings Distribution Schedule for Year 2024.

Explanation:

- (i) The net profit after tax for the year was NTD 191,665,626. The beginning of the year was NTD 467,757,816 for Unappropriated retained earnings, after adding the adjustments of NTD 22,438,548 from the disposal of equity instruments measured at fair value to Retained earnings, the distributable earnings for the current period was NTD 681,861,990. It is proposed to distribute a stock dividend of NTD 0.5 per share to shareholders. The cash dividend per share is NTD 3.5. Please refer to Exhibit 3 (p.28) for the distribution of earnings.
- (ii) The proposal for the distribution of stock dividends is to be submitted for approval by the shareholders' meeting and, after being presented to the competent authority for approval, authorises the Directors to set another record date for the distribution of shares, payment date, and other related matters.

- (iii) After the Board of Directors approves the cash dividends distribution proposal, the Chairman is authorised to set another interest distribution base date, payment date, and other related matters.
- (iv) 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.
- (v) 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.
- (vi) This case has been approved by the Audit Committee and the Board of Directors, and the proposal for cash dividends distribution will be submitted to the shareholders' meeting, while the proposal for stock dividends distribution is intended to be submitted for approval at the shareholders' meeting.

Resolution:

## **V. Discussion Items**

### **Proposal No.1 (Proposed by the Board)**

Proposal: Amendments to the "Articles of Incorporation" report.

Explanation: In accordance with the amendments to the checklist for the protection of shareholders' equity of foreign issuers (May 2024 announcement version) and the actual needs for amendments, please refer to Exhibit 5 for the comparison

table.

Resolution:

**Proposal No.2 (Proposed by the Board)**

Proposal: Amendments to the "Procedures for Lending Funds to Others" report.

Explanation: In accordance with the working capital planning, a revision is proposed. Please refer to Exhibit 6 for the revised comparison table.

Resolution:

**Proposal No.3 (Proposed by the Board)**

Proposal: Proposal for the issuance of new shares through capital increase from the earnings for the year 2024.

Explanation:

- (i) In response to future business development needs, it is proposed to allocate stock dividends from the distributable earnings for the year 2024 amounting to NTD 16,601,820, with a par value of NTD 10, to issue 1,660,182 new shares.
- (ii) The new shares from the aforementioned capital increase will be subject to approval by the general meeting of shareholders and the competent authority, after which another Board of Directors meeting will be convened to set the share distribution base date, payment date, and other related matters. According to the shareholding ratio of shareholders recorded in the register of members on the record date for the distribution of shares, 50 shares will be allocated free of charge for every 1,000 shares held. Any fractional shares that are less than one share may be consolidated by the shareholders with the Company's securities agent

within five days from the record date. If there are still fractional shares remaining, cash will be paid up to the par value, with any amount below the par value being discarded. It is proposed to authorise the Chairman to negotiate with specific persons for subscription at par value.

- (iii) The rights and obligations of the newly issued Shares upon capital increase are the same as those of the Shares already issued.
- (iv) Subsequently, 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 authorise the Chairman to handle it with full authority.
- (v) If the above capital increase matters are approved for amendment by the competent authority or need to be revised due to factual requirements, it is proposed to authorise the Chairman to handle it with full authority at the annual general meeting of shareholders.

Resolution:

## **VI. Ad Hoc Motions**

## VII. Appendices

### 【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 Y2024

###### (a) Business plan implementation results:

(In Thousands of New Taiwan Dollars)

Item	Y2024	Y2023	Amount Change	Percentage Change (%)
Operating Income	3,661,555	3,645,414	16,141	0%
Gross Profit	721,892	670,235	51,657	8%
Net Income (After tax)	191,666	119,162	72,504	61%

- (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 Y2024 and is therefore not applicable.

###### (c) Analysis of Financial Results and Profitability:

Item		Y2024	Y2023
Financial Structure (%)	Debt to Assets Ratio (%)	46%	54%
	Ratio of Long-term Capital to Fixed Assets (%)	341%	304%
Solvency (%)	Current Ratio (%)	225%	178%
	Quick Ratio (%)	194%	148%
Profitability (%)	Return on Assets (%)	5.41%	3.61%
	Return on Stockholders' Equity (%)	10.30%	7.20%
	Profit Margin (%)	5.23%	3.27%

	Basic Earnings per Share	6.17	4.07
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(d) Research and development status:

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	2024	2023
R&D Expenses (A)	36,372	42,931
Operating Income (B)	3,661,555	3,645,414
(A)/(B)	0.99%	1.18%

2. Outline of Y2025 Business Plan

(1) Operation Plan:

- i. 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.

- ii. Continue to deepen and develop product cooperation projects and actively compete for orders.
- iii. Strengthen the management efficiency of the factory, optimize the production process and production technology to reduce costs and improve production yields.
- iv. Continue to introduce operational automation to reduce labor requirements.
- v. 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.

(2) 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.

(1) 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.

- (2) 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.
- (3) 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 2024 Consolidated Financial Statements**

Independent Auditor's Report

(114)-Cai-Sheng-Bao No. 24004792

To the Board of Directors and Shareholders of IKKA Holdings (Cayman) Limited):

## **Opinion**

We have audited the accompanying consolidated balance sheets, consolidated statements of comprehensive income, of changes in equity, and cash flows, and notes on the consolidated financial statements (including a summary of key accounting policies of IKKA Holdings (Cayman) Limited and subsidiaries (the “Group”) for the years ended December 31, 2024 and 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position, performance, and cash flows of the Group for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, IAS, IFRIC and SIC Interpretations as endorsed by the Financial Supervisory Commission.

## **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' responsibilities for auditing consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and we have fulfilled other ethical responsibilities as required. We believe that the audit evidence we have obtained is sufficient and proper to provide a basis for our opinion.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are as follows:

### **Inventory valuation**

### Description

Refer to Note 4(13) for accounting policy, 5(2) for significant accounting estimates and assumption uncertainty, and 6(5) for account description. On December 31, 2024, the balances of inventories and loss allowances for inventory revaluation were NT\$ 396,404 thousand and NT\$ 40,405 thousand, respectively.

The Group is primarily engaged in the manufacturing and sales of automobiles, multi-function printers, and precision plastic components for household facilities. Due to rapid technological changes, short product life cycles, and fierce market competition, there is a higher risk of inventory losses or obsolescence. The net realizable value is based on the sales and purchase prices in the regular course before the balance sheet date. The net realizable value not sold after a certain period of age and individually identified obsolete inventory is calculated based on sales and discount history.

Since the amount of inventory is material, types are various, information sources in calculating each net realizable value are many, and the identification of obsolete and damaged inventory and its net realizable value are subject to management's judgment, we considered the assessment of allowance for inventory valuation losses a key audit matter.

### How our audit addressed the matter

To assess the net realizable value and the adequacy of allowance for losses, we performed the following procedures:

1. Based on our understanding of the nature of operations and industry, we assessed if the policy on allowance for losses during the comparative reporting periods was proper and consistent.
2. Evaluate the reasonableness of obsolete and damaged inventories, and delayed delivery due to weakened market demand, along with supporting documents. We examined the management process, reviewed the annual plan, and participated in the annual process to assess the effectiveness of the management's identification and control of obsolete or damaged inventory.
3. Understand the process of Inventories management, review its annual inventory plan and participate in the annual Inventories inventory to evaluate the effectiveness of the management to distinguish and control obsolete Inventories.
- 4.
5. We obtained the aged inventory report and sampled storage quantity to test the properness of classification and then, based on the policy, assessed the correctness of the allowance for obsolescence losses.
6. We obtained a net realizable value report, confirmed the consistency of calculation logic, and randomly checked the sales and purchase prices of materials based on the supporting documents.

### **Responsibilities of management and governing bodies for consolidated financial statements**

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, IAS, IFRIC, and SIC Interpretations as endorsed by the Financial Supervisory Commission., management is responsible for the preparation and fair presentation of consolidated financial statements for internal control as deemed necessary to be free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing relevant matters as applicable as the basis of accounting unless management intends to liquidate the Group, cease operations, or has no realistic alternative.

The governing bodies (including its Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for auditing consolidated financial statements**

Our objectives are to obtain reasonable assurance on whether consolidated financial statements are free from material misstatement due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with the Auditing Standards will always detect a material misstatement from fraud or error and is considered material if, individually or in the aggregate, expected to influence the economic decisions on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and skepticism throughout the audit. We also:

1. Identify and assess risks of material misstatement due to fraud or error, design and perform audit procedures, and obtain sufficient and proper evidence as the basis for our opinion. The risk of not detecting a material misstatement from fraud is higher than for one from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control to design proper audit procedures not to express an opinion on effectiveness.
3. Evaluate the properness of accounting policies and reasonableness of estimates and disclosures made by management.
4. Conclude on the properness of management's usage use of the going concern basis of accounting and whether a material uncertainty on events or conditions based on evidence may cast significant doubt on the Group's ability to continue as a going concern. If such a material uncertainty exists, we are required to draw attention in our auditors' report to disclosures or, if inadequate, to modify our opinion. Our conclusions are based on evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease as a going concern.
5. Evaluate the overall presentation, structure, and content, including the disclosures, and whether underlying transactions and events are represented in a fair manner.
6. Obtain sufficient proper audit evidence on the financial information of Group entities or business activities to express an opinion. We remain solely responsible for the direction, supervision, and performance of the group audit.

We communicate with the governing bodies on the planned scope and timing of the audit and key findings, including deficiencies in internal control identified.

We also provide the governing bodies with a statement that we have complied with ethical requirements on independence and communicate with them all relevant

relationships, safeguards, and other matters where applicable. We then determine and disclose key audit matters in our auditors' report unless precluded by law or regulation or doing so could outweigh the public interest benefits due to adverse consequences in extremely rare circumstances.

From the matters communicated with those charged with governance, we have determined key audit matters of the Group's 2024 consolidated financial statements. We have disclosed these matters in our auditors' report unless precluded by law or regulation or doing so could outweigh the public interest benefits due to adverse consequences in extremely rare circumstances.

PwC Taiwan

CPA: Man-Yu, Ruan-Lu

Yi-Tai, Tsai

Former Financial Supervisory Commission (FSC) of the Executive Yuan

Approval Document No.: Jin-Guan-Zheng-Shen-No. 0990058257

Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen-No. 1080323093

March 12, 2025

**IKKA Holdings (Cayman) Limited and Subsidiaries**

Consolidated Balance Sheet  
December 31, 2024 and 2023

Unit: Thousands of NTD

Assets		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,342,910	35	\$ 1,003,988	28
1136	Financial assets at amortized cost -	6(2) and 8				
	current		96,078	3	59,085	2
1150	Notes receivable, net	6(5)	14,677	1	25,407	1
1170	Accounts receivable, net	6(5)	895,944	23	986,837	27
1180	Accounts receivable - related	6(5) and 7				
	parties, net		4,475	-	7,237	-
1200	Other receivables	7	3,768	-	4,762	-
130X	Inventories	6(6)	355,999	9	382,563	10
1410	Prepayments	7	29,982	1	37,805	1
1470	Other current assets	6(7)	45,526	1	41,679	1
11XX	<b>Total current assets</b>		<u>2,789,359</u>	<u>73</u>	<u>2,549,363</u>	<u>70</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	704	-	-	-
1517	Financial assets at fair value	6(4)				
	through other comprehensive					
	income - Non-current		34,792	1	86,460	2
1600	Property, plant and equipment	6(8)	762,696	20	730,356	20
1755	Right-of-use assets	6(9)and7	172,684	4	212,561	6
1780	Intangible assets	6(10)	2,822	-	2,232	-
1840	Deferred tax assets	6(27)	41,839	1	42,025	1
1900	Other non-current assets		30,930	1	33,347	1
15XX	<b>Total non-current assets</b>		<u>1,046,467</u>	<u>27</u>	<u>1,106,981</u>	<u>30</u>
1XXX	<b>Total assets</b>		<u>\$ 3,835,826</u>	<u>100</u>	<u>3,656,344</u>	<u>100</u>

**IKKA Holdings (Cayman) Limited and Subsidiaries**

**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**

Unit: Thousands of NTD

Liabilities and Equity		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6(11)	\$ 184,712	5	\$ 337,450	9
2130	Contract liabilities - current	6(21)	12,427	-	2,982	-
2150	Notes payable	6(12)	137,533	4	136,053	4
2170	Accounts payable		412,406	11	424,816	12
2180	Accounts payable — related parties	7	19,491	1	15,168	
2200	Other payables	6(14)	287,214	7	322,241	9
2220	Other payables – related parties	7	164	-	1,842	-
2230	Income tax liabilities in this period		66,556	2	78,985	2
2280	Lease liabilities - current		53,030	1	51,640	1
2320	Long-term liabilities due within one year or one operating cycle	6(15)	49,727	1	52,104	2
2399	Other current liabilities - other		14,161	-	12,713	-
21XX	Total current liabilities		1,237,421	32	1,435,994	39
Non-current liabilities						
2530	Bonds payable	6(13)	97,790	3	-	-
2540	Long-term loans	6(15)	155,754	4	212,699	6
2570	Deferred tax liabilities	6(27)	17,308	-	19,930	-
2580	Lease liabilities - non-current		93,773	2	134,922	4
2600	Other non-current liabilities	6(16)	177,577	5	187,499	5
25XX	Total non-current liabilities		542,202	14	555,050	15
2XXX	Total liabilities		1,779,623	46	1,991,044	54
Equity attributable to owners of the parent company						
	Share capital	6(18)				
3110	Ordinary share capital		332,036	9	294,524	8
	Capital surplus	6(19)				
3200	Capital surplus		1,042,305	26	802,772	22
	Legal reserve	6(20)				
3320	Special reserve		96,219	3	65,313	2
3350	Undistributed earnings		672,870	18	598,910	16
	Other equity					
3400	Other equity		( 87,227)	( 2)	( 96,219)	( 2)
31XX	Total equity attributable to owners of the parent company		2,056,203	54	1,665,300	46
3XXX	Total equity		2,056,203	54	1,665,300	46
	Material Contingent Liabilities and Unrecognized Contractual Commitments	9				
	Material Subsequent Events	11				
3X2X	Total liabilities and equity		\$ 3,835,826		\$ 3,656,344	100

**IKKA Holdings (Cayman) Limited and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: Thousands of NTD, except  
for earnings per share.

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(21) and 7	\$ 3,661,555	100	\$ 3,645,341	100
5000 Operating cost	6(6)(26) and 7	( 2,939,663 )	( 80 )	( 2,975,179 )	( 82 )
5900 Gross profit		<u>721,892</u>	<u>20</u>	<u>670,235</u>	<u>18</u>
Operating expense	6(26) and 7				
6100 Selling expense		( 115,733 )	( 3 )	( 115,509 )	( 3 )
6200 Administrative expenses		( 326,196 )	( 9 )	( 333,819 )	( 9 )
6300 Research and development expenses		( 36,372 )	( 1 )	( 42,930 )	( 1 )
6450 Expected credit impairment losses	12	<u>136</u>	<u>-</u>	<u>173</u>	<u>-</u>
6000 Total operating expenses		<u>( 478,165 )</u>	<u>( 13 )</u>	<u>( 492,085 )</u>	<u>( 13 )</u>
6900 Operating income		<u>243,727</u>	<u>7</u>	<u>178,150</u>	<u>5</u>
Non-operating income and expenses					
7100 Interest income	6(22)	10,042	-	5,599	-
7010 Other income	6(23)	2,993	-	3,435	-
7020 Other gains and losses	6(24)	37,619	1	29,608	1
7050 Financial costs	6(25)	( 13,823 )	-	( 13,234 )	1
7000 Total non-operating income and expenses		<u>36,831</u>	<u>1</u>	<u>25,408</u>	<u>-</u>
7900 Net income before tax		280,558	8	203,558	5
7950 Income tax expense	6(27)	<u>88,892</u>	<u>3</u>	<u>84,396</u>	<u>2</u>
8200 Net income for this period					
Other comprehensive income					
Items not reclassified to profit or loss:		<u>\$ 191,666</u>	<u>5</u>	<u>\$ 119,162</u>	<u>3</u>
8311 Remeasurement of defined benefit plans		( \$ 892 )	-	\$ 9,406	-
8316 Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	6(4)	( 32,122 )	( 1 )	19,109	1
8349 Income tax related to items not reclassified	6(27)	<u>3,537</u>	<u>-</u>	<u>( 1,022 )</u>	<u>-</u>
8310 Total amount of items not		<u>( 29,477 )</u>	<u>( 1 )</u>	<u>27,493</u>	<u>1</u>

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The notes attached are an integral part of the Consolidated Financial Statements and shall be read together.

Chairman : Shiang-Chi Hu

Manager : Masami Obara

Chief Accounting Officer : Yen-Shou Chiang

**IKKA Holdings (Cayman) Limited and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: Thousands of NTD, except  
for earnings per share.

	reclassified to profit or loss				
	<b>Items that may subsequently be</b>				
	<b>reclassified to profit or loss</b>				-
8361	Exchange differences on translation of the financial statements of foreign operations	52,011	2	48,993	1
8360	Total amount of items that may subsequently be reclassified to profit or loss	52,011	2	48,993	1
8300	<b>Other comprehensive income, net</b>	\$ 22,534	1	21,500	-
8500	<b>Total comprehensive income for this period</b>	\$ 214,200	6	97,662	3
	Net income (loss) attributable to:				
8610	Owners of the parent	\$ 191,666	5	\$ 119,162	3
		\$ 191,666	5	\$ 119,162	3
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ 214,200	6	\$ 97,662	3
		\$ 214,200	6	\$ 97,662	3
	Basic earnings per share				
9750	Basic earnings per share		6.17		4.07
	Diluted earnings per share				
9850	Diluted earnings per share		5.79		3.99



**IKKA Holdings (Cayman) Limited and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

Unit: Thousands of NTD

	Note	Equity attributable to owners of the parent							Total equity
		Ordinary share capital	Capital reserve	Special reserve	Retained earnings	Exchange differences on translation of the financial statements of foreign operations	Other equity		
			Surplus		Undistributed earnings		Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares	
<u>2023</u>									
Balance on January 1 2023		\$ 292,414	\$ 795,054	\$ 80,963	\$ 543,150	(\$ 78,537 )	\$ 13,224	(\$ 846 )	\$ 1,645,422
Net income for this period		-	-	-	119,162	-	-	-	119,162
Other comprehensive income for the period		-	-	-	9,406	( 48,993 )	18,087	-	21,500
Total comprehensive income for the period		-	-	-	128,568	( 48,993 )	18,087	-	7,662
2022 earnings allocation and distribution:	6(20)								
Special reserve		-	-	( 15,650 )	15,650	-	-	-	-
Cash dividends		-	-	-	( 87,757 )	-	-	-	( 87,757 )
Cancellation of treasury share	6(18)	( 120 )	( 320 )	-	( 406 )	-	-	846	-
Share-based payment-employee share options	6(17)	2,230	8,038	-	( 295 )	-	-	-	9,973
Balance as of December 31, 2023		<u>\$ 294,524</u>	<u>\$ 802,772</u>	<u>\$ 65,313</u>	<u>\$ 598,910</u>	<u>(\$ 127,530 )</u>	<u>\$ 31,311</u>	<u>\$ -</u>	<u>\$ 1,665,300</u>
<u>2024</u>									
Balance on January 1, 2024		\$ 294,524	\$ 802,772	\$ 65,313	\$ 598,910	(\$ 127,530 )	\$ 31,311	\$ -	\$ 1,665,300
Net income for this period		-	-	-	191,666	-	-	-	191,666
Other comprehensive income for the period		-	-	-	( 892 )	52,011	( 28,585 )	-	22,534
Total comprehensive income for the period		-	-	-	190,774	52,011	( 28,585 )	-	214,200
Appropriation of 2023 earnings:	6(20)								
Special reserve		-	-	30,906	( 30,906 )	-	-	-	-
Cash dividends		-	-	-	( 100,246 )	-	-	-	( 100,246 )
Cash capital increase	6(18)	18,200	91,000	-	-	-	-	-	109,200
Proceeds from issuing shares retain employee subscription remuneration costs		-	3,239	-	-	-	-	-	3,239
Share-based payment-employee stock options	6(17)	2,600	7,223	-	( 96 )	-	-	-	9,676
Conversion of convertible bonds		16,712	113,891	-	-	-	-	-	130,603
Convertible corporate bonds in issue recognized as components of equity - share options	6(13)	-	24,180	-	-	-	-	-	24,180
Disposal of equity instruments at fair value through other comprehensive income	6(4)	-	-	-	14,434	-	( 14,434 )	-	-
Balance as of December 31, 2024		<u>\$ 332,036</u>	<u>\$ 1,042,305</u>	<u>\$ 96,219</u>	<u>\$ 672,870</u>	<u>(\$ 75,519 )</u>	<u>\$ 11,708</u>	<u>\$ -</u>	<u>\$ 2,056,152</u>

IKKA Holdings (Cayman) Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
For the Years Ended December 31, 2024 and December 31, 2023  
Unit : NTD thousand

	Note	For the Year Ended December 31, 2024	For the Years Ended December 31, 2023
<u>Cash flow from operating activities</u>			
Net income before tax for the current period		280,558	203,558
Adjustments			
Income and expenses			
Depreciation expense	6(8)(26)	121,380	127,926
Depreciation expense (including right-of-use assets)	6(9)(26)	54,000	52,171
Amortization expense	6(10)(26)	1,057	1,469
Reversal of expected credit impairment losses	12(2)	( 136 )	( 173 )
Net gain on financial liabilities at fair value through profit or loss		( 2,248 )	-
Interest income	6(25)	5,578	7,530
Interest income (lease liabilities)	6(25)	4,347	5,704
Interest income (amortized bonds payable)	6(25)	3,898	-
Interest income	6(22)	( 10,042 )	( 5,599 )
Dividend income	6(23)	( 177 )	( 500 )
Share-based payment compensation costs	6(17)	3,787	1,692
Loss (profit) on disposal of real property, plant and equipment	6(24)	1,362	2,445
Lease modification gain	6(9)	( 1 )	( 1,212 )
Impairment loss	6(24)	-	4,351
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		10,730	( 2,942 )
Accounts receivable (including related parties)		109,496	( 88,517 )
Other receivables		4,187	10,360
Inventories		55,358	113,275
Prepayments		7,823	857
Other current assets		( 3,847 )	( 6,613 )
Other non-current assets		400	433
Net changes in liabilities related to operating activities			
Contract liabilities		9,445	818
Notes payable		1,480	26,447
Accounts payable (including related parties)		( 10,120 )	24,971
Other payables		( 23,945 )	30,649
Other current liabilities		1,448	( 5,032 )
Other non-current liabilities		( 7,801 )	1,552
Cash inflow from operations		618,017	505,620
Interest collected		10,042	5,599
Interest paid		177	500
Income tax paid	6(29)	( 14,277 )	( 13,294 )
Net cash inflow from operating activities		( 107,566 )	( 61,167 )
Net cash inflow from operating activities		506,393	437,258

IKKA Holdings (Cayman) Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
For the Years Ended December 31, 2024 and December 31, 2023  
Unit : NTD thousand

	Note	For the Year Ended December 31, 2024	For the Years Ended December 31, 2023
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income		( \$ 4,000 )	( \$ 3,071 )
Disposal of financial assets measured at fair value through other comprehensive income		23,338	-
Acquisition of financial assets measured at amortized cost		( 31,568 )	( 32,181 )
Disposal of financial assets measured at amortized cost		-	93,094
Acquisition of property, plant and equipment	六(二十九)	( 152,957 )	( 70,895 )
Intangible assets acquired	六(十)	( 1,647 )	( 176 )
Disposal of property, plant and equipment		2,004	711
Increase in refundable deposits		2,047	( 2,231 )
Increase in prepayments for equipment		( 2,226 )	( 2,312 )
Net cash (outflow) inflow from investing activities		( 165,009 )	( 17,061 )
<u>Cash flow from financing activities</u>			
Increase in short-term loans	六(三十)	( 151,374 )	151,701
Repayment of long-term borrowings	六(三十)	( 52,108 )	( 94,165 )
Decrease in other payables to related parties		( 1,699 )	( 30,678 )
Increase in refundable deposits		234	5
Distribution of cash dividends	六(二十)	( 100,246 )	( 87,757 )
Repayment of lease principal	六(三十)	( 53,131 )	( 48,859 )
Bond issuance	六(三十)	251,250	-
Proceeds from issuing shares for cash capital increase	六(十八)	109,200	-
Employee stock options exercised		9,179	8,282
Net cash inflows (outflow) from financing activities		11,305	( 101,471 )
Effect of exchange rate changes		( 13,767 )	( 56,191 )
Increase in cash and cash equivalents for this period		338,922	262,535
Opening balance of cash and cash equivalents		1,003,988	741,453
Ending balance of cash and cash equivalents		\$ 1,342,910	\$ 1,003,988

## 【Exhibit 3】 Earnings Distribution Table

第一化成控股(開曼)股份有限公司

**IKKA HOLDINGS(CAYMAN) LIMITED**

2024 Earnings Distribution Table

(In Thousands of New Taiwan Dollars)

Items	Amount
Opening Unappropriated retained earnings	467,757,816
Share-based payments TRANSACTION	(95,576)
Gains or losses on the disposal of equity instruments measured at fair value are recognised in retained earnings.	14,434,613
Remeasurement of defined benefit plans recognised in Retained earnings	(892,187)
Unappropriated retained earnings after adjustment	481,204,666
Add: Net Profit	191,665,626
Shareholders Equity Deduction Special reserve	8,991,698
Retained earnings available for distribution	681,861,990
Less: Dividends to shareholders	
Stock dividends of ordinary share-per shareNTD 0.5	( 16,601,820 ) (per share NTD 10)
Cash dividends of ordinary share-per share NTD 3.5	(116,212,761)
Unappropriated retained earnings	549,047,409

Note: As of December 31, 2024 , the total number of issued and outstanding shares was 33,203,646 shares. As the current calculation basis for distribution, each share can be distributed at NT \$4. However, the actual distribution amount will be calculated according to the following instructions.

Explanation: Cash dividends

1. The current distribution authorises the Chairman 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. Stock dividends shall be distributed based on the shareholding ratio of shareholders recorded in the register of members on the record date, with 50 shares being distributed free of charge for every thousand shares held. Any fractional shares resulting in less than one share may be consolidated by shareholders through the Company's securities agent within five days from the record date. If there are still fractional shares remaining, cash shall be paid up to the par value, and it is proposed to authorize the Chairman to negotiate with specific persons for subscription; additionally, cash dividends shall be calculated up to the par value, with amounts

below the par value being discarded, and the total of the fractional amounts shall be included in the Company' s other income.

Chairman            Hu, Shiang-Chi

General Manager   Ohara Masami

CFO      Chiang, Shuo-yen

## 【Exhibit 4】 "Corporate Governance Best Practise Principles" Revision Comparison Table

Revision date: May 6, 2025

Number	Article before amendment	Amended Articles	Explanation
Article 13-ter	(None)	The Company shall formulate and disclose operational strategies and business plans that clarify specific measures to enhance corporate value, and shall report to the Board of Directors while actively communicating with shareholders.	According to Taiwan Stock Exchange Corporation Document No. 1130015652 dated 23 August 2024.Document No. for Coordination of Additions
Article 52	This code was drawn up on September 29, 2020 The first amendment was made on 11 May 2022. (Approved by the Company's Board of Directors) The second amendment was made on 21 March 2023. (Approved by the Company's Board of Directors.)	This code was drawn up on September 29, 2020 The first amendment was made on 11 May 2022. (Approved by the Company's Board of Directors) The second amendment was made on 21 March 2023. (Approved by the Company's Board of Directors.) The third revision was approved by the Company's Board of Directors on 6 May 2025.	

## 【Exhibit 5】 "Comparison of Amendments to the Articles of Incorporation"

Number	Article before amendment	Amended Articles	Explanation
Cover	<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</p> <p>Incorporated on March 31, 2016</p> <p>(as adopted by a Special Resolution dated, <u>June 30, 2023</u>)</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</p> <p>Incorporated on March 31, 2016</p> <p>(as adopted by a Special Resolution dated, <u>June 30, 2025</u>)</p>	Update the date for the proposed amendment to the Articles to be approved by a Special resolution at the shareholders' meeting.
Memorandum	<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</p> <p>(as adopted by a Special Resolution dated <u>June 30, 2023</u>)</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</p> <p>(as adopted by a Special Resolution dated <u>June 30, 2025</u>)</p>	Update the date for the proposed amendment to the Articles to be approved by a Special resolution at the shareholders' meeting.

Number	Article before amendment	Amended Articles	Explanation
Articles	<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</p> <p>(as adopted by a Special Resolution dated <u>June 30, 2023</u>)</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</p> <p>(as adopted by a Special Resolution dated <u>June 30, 2025</u>)</p>	Update the date for the proposed amendment to the Articles to be approved by a Special resolution at the shareholders' meeting.
Article 3	<p>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</p>	<p>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</p>	Revision of the Checklist for the Protection of Shareholders' equity of Foreign Issuers (May 2024 Announcement Version)



Number	Article before amendment	Amended Articles	Explanation
	<p>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.</p> <p>3.2 The Company shall not issue Shares to bearer.</p> <p><u>3.3</u> The Company shall not issue any unpaid Shares or partly paid-up Shares.</p>	<p>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.</p> <p>3.2 The Company shall not issue Shares to bearer.</p> <p><u>3.3 The Company shall not issue no par value shares or convert par value shares into no par value shares.</u></p> <p>3.4 The Company shall not issue any unpaid Shares or partly paid-up Shares.</p>	
Article 17.3	<p>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</p>	<p>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</p>	<p>Revision of the Checklist for the Protection of Shareholders' equity of Foreign Issuers (May 2024 Announcement Version)</p>

Number	Article before amendment	Amended Articles	Explanation
	<p>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\$<u>10 billion</u> 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.</p>	<p>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\$<u>2,000,000,000</u> 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.</p>	

Number	Article before amendment	Amended Articles	Explanation
Article 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 <u>the Independent Directors of the</u> 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 <u>Independent Directors</u> 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.	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 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. <u>The Audit Committee shall resolve on whether to initiate the action, and shall appoint one or more of its members as the representative(s), acting individually or jointly, for this action.</u> If the <u>Audit Committee</u> fails 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.	

## 【Exhibit 6】 Comparison Table of Amendments to the "Procedures for Lending Funds to Others"

Date: 2024.11.07

Number	Article before amendment	Amended Articles	Explanation
Article 8	<p>Term and Interest Method of Fund Lending.</p> <p>1.Loan Term: (1.)The term for each loan is based on one year; however, if the company's operating cycle exceeds one year, the operating cycle shall prevail.</p> <p>(2.)The Company directly and indirectly holds one hundred percent of the voting Shares of foreign companies for financing, with a term limited to ten years.</p> <p>2.Interest Calculation Method:The interest on funds lent shall not be lower than the average interest rate of the Company's short-term borrowings from financial institutions and shall be calculated monthly. In special circumstances, adjustments may be made as necessary upon approval by the Board of Directors.</p> <p>3. The Company may not charge interest on overdue accounts receivable that exceed the credit period between the Company and its wholly-owned subsidiaries, which are directly and indirectly held with voting rights.</p>	<p>Term and Interest Method of Fund Lending.</p> <p>1.Loan Term: (1.)The term for each loan is based on one year; however, if the company's operating cycle exceeds one year, the operating cycle shall prevail.</p> <p>(2.)The Company shall directly and indirectly hold 100% of the voting Shares of foreign companies for the purpose of financing, or the Company shall directly and indirectly hold 100% of the voting Shares of foreign companies for the purpose of lending funds to the Company, with a term limited to ten years; if there is an extension, the number of extensions shall be limited to two, and each extension period shall not exceed six years.</p> <p>2.Interest Calculation Method:The interest on funds lent shall not be lower than the average interest rate of the Company's short-term borrowings from financial institutions and shall be calculated monthly. In special circumstances, adjustments may be made as</p>	Propose amendments based on the working capital plan.

Number	Article before amendment	Amended Articles	Explanation
		<p>necessary upon approval by the Board of Directors.</p> <p>3. The Company may not charge interest on overdue accounts receivable that exceed the credit period between the Company and its wholly-owned subsidiaries, which are directly and indirectly held with voting rights.</p>	

Number	Article before amendment	Amended Articles	Explanation
Article 9	<p>Subsequent control measures for the amount lent and procedures for handling overdue receivables:</p> <p>1.After the loan disbursement, it is essential to regularly monitor the financial, business, and related credit status of the borrower and guarantor. If collateral has been provided, attention should also be paid to any changes in its collateral value. In the event of significant changes, the General Manager should be immediately informed, and appropriate actions should be taken as per instructions.</p> <p>2.When the borrower repays the loan upon maturity or before maturity, the interest payable should be calculated first, and after repaying both the interest and the principal, the promissory note loan may be cancelled and returned to the borrower or the mortgage right may be discharged.</p> <p>3. The borrower shall repay the principal and interest in full upon the maturity of the loan. If repayment cannot be made upon maturity and an extension is required, a request must be submitted in advance and approved by</p>	<p>Subsequent control measures for the amount lent and procedures for handling overdue receivables:</p> <p>1.After the loan disbursement, it is essential to regularly monitor the financial, business, and related credit status of the borrower and guarantor. If collateral has been provided, attention should also be paid to any changes in its collateral value. In the event of significant changes, the General Manager should be immediately informed, and appropriate actions should be taken as per instructions.</p> <p>2.When the borrower repays the loan upon maturity or before maturity, the interest payable should be calculated first, and after repaying both the interest and the principal, the promissory note loan may be cancelled and returned to the borrower or the mortgage right may be discharged.</p> <p>3.The Company shall not repay the short-term financing lent to others upon maturity without actual cash flow or extend the repayment period with the consent of the Board of Directors.However, if the Company directly or indirectly holds one hundred percent of the voting shares of foreign companies, or if</p>	Propose amendments based on the working capital plan.

Number	Article before amendment	Amended Articles	Explanation
	<p>the Board of Directors; otherwise, the Company may dispose of the collateral or guarantor provided and seek compensation in accordance with the law.</p> <p>4. Due to changes in circumstances, if the lending counterpart does not meet the regulations or if the balance exceeds limits, an improvement plan should be established, and the relevant improvement plan should be submitted to the Audit Committee. The improvement plan should also be sent to the Independent Directors and completed according to the planned schedule.</p>	<p>the Company directly or indirectly holds one hundred percent of the voting shares of foreign companies that engage in lending funds to the Company, and if the extension of the loan period is approved by the Board of Directors before the due date, there is no need for actual cash flow repayment; however, repayment must still be made in actual cash flow when the extension period expires. If not, the Company may dispose of and seek compensation for the collateral or guarantor provided in accordance with the law.</p> <p>4. Due to changes in circumstances, if the lending counterpart does not meet the regulations or if the balance exceeds limits, an improvement plan should be established, and the relevant improvement plan should be submitted to the Audit Committee. The improvement plan should also be sent to the Independent Directors and completed according to the planned schedule.</p>	

Number	Article before amendment	Amended Articles	Explanation
Article 15	<p>Implementation and Amendments</p> <p>1.This procedure shall be implemented after being approved by the Board of Directors and submitted for the shareholders' meeting's consent. (The following is omitted)</p> <p>2~4 、 (The following is omitted)</p> <p>5.This procedure was implemented after being approved by the Shareholders Meeting on 20 March 2020.</p> <p>First revised on June 29, 2020.</p>	<p>Implementation and Amendments</p> <p>1.This procedure shall be implemented after being approved by the Board of Directors and submitted for the shareholders' meeting's consent. (The following is omitted)</p> <p>2~4 、 (The following is omitted)</p> <p>5.This procedure was implemented after being approved by the Shareholders Meeting on 20 March 2020.</p> <p>First revised on June 29, 2020.</p> <p>The second revision will be on June 30, 2025.</p>	



## **VIII. 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

Except as otherwise provided by the laws of the Republic of China, the shareholders' meeting of the Company shall be convened by the Director.

Changes to the method of convening a shareholders' meeting of the Company shall be subject to Director Resolution, and shall be made no later than the time before the dispatch of the notice of the shareholders' meeting.

The Company shall prepare and send the shareholders' meeting notice, power of attorney paper, the adoption, Director, and the description materials to Market Observation Post System in electronic form 30 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting. The Company shall send the shareholders' meeting handbook and supplementary information to Market Observation Post System 15 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting. However, the Company's paid-in capital reached NT \$ten billion or more at the end of the most recent fiscal year, or the foreign and mainland Chinese investors holding more than 30 percent of the shares of total recorded in the shareholders' meeting register in the most recent fiscal year, the transmission of the aforementioned electronic files shall be completed 30 days before the regular shareholders' meeting.

The Company prepares the shareholders' meeting handbook and supplementary information 15 days before the shareholders' meeting, which are available to

shareholders at any time and displayed in the Company and the professional stock affairs agency appointed by the Company.

The Company shall provide the meeting handbook and supplementary information in the preceding paragraph to shareholders for reference on the day of the shareholders' meeting in the following manner:

1. When a physical shareholders' meeting is convened, it shall be distributed on site.
2. When holding a video conference to assist the shareholders' meeting, it shall be distributed on the site of the shareholders' meeting and transmitted to the video conference platform with electronic files.
3. When holding a video shareholders' meeting, an electronic file shall be sent to the video conference platform.

The notice and announcement shall specify the reasons for convening the meeting; Where a notice has been given with the consent of the counterparty, it may be given by electronic means.

Matters with regard to the election or dismissal of Director, change of articles of association, capital reduction, application for cessation of public offering, permission to engage in competition for Director, capitalization of retained earnings, capitalization of retained earnings, dissolution of the company, merger, division, each subparagraph 1, Paragraph 1, Article one hundred and eighty-five of Company Act of the Republic of China, Article twenty-six-1 and Article forty-three-6 of Securities and Exchange Act of the Republic of China, Article fifty-six-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers of the Republic of China shall be listed and explained in the reasons for convening the meeting, and shall not be proposed with Extempore Motion. The main content of the website shall be placed on the website designated by the securities regulatory authority of the Republic of China or the Company, and the website shall be indicated in the notice.

The reason for convening the shareholders' meeting has stated the full re-election of Director and the date of taking office has been stated. After the election of the shareholders' meeting is completed, the date of taking office shall not be changed by Extempore Motion or Other.

Shareholders holding more than one percent of the total number of issued shares may submit a proposal to the Company's general meeting of shareholders, which shall be limited to one item, and those who propose more than one item shall not be included in the proposal. However, shareholder proposals are recommendations to urge the company to promote public interests or fulfil social responsibilities. Director will still be included in the proposal. The motion proposed by the shareholders has one of the situations specified in Paragraph 4, Article one hundred and seventy-two-1 of the Company Act of the Republic of China, and Director may not be listed as a motion. The Company shall announce the acceptance of shareholders' proposals, written or electronic means of acceptance, the place of acceptance and the period of acceptance before the book closure date before the regular shareholders' meeting; The acceptance period shall not be less than ten days.

The motion proposed by shareholders is limited to 300 words, and if the words exceed 300 words, the motion will not be included in the motion; Proposing shareholders shall attend the general shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

The Company shall notify the shareholders of the proposals before the date of the notice of the shareholders' meeting of the results of the meeting and include the proposals in the notice of the meeting as specified in this Article. For shareholders'

proposals that are not included in the proposal, Director shall explain the reasons for not being included in 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.

After the power of attorney has been served on the Company, if a shareholder wishes to attend the shareholders' meeting by video conference, he/she shall notify the Company in writing of the revocation of the power of attorney two days before the shareholders' meeting. In the event of a late revocation, the voting rights exercised by the entrusted representative 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.

When the Company holds a video shareholders' meeting, it is not subject to the restrictions of the place of the meeting in the preceding paragraph.

#### Article 6 Preparation of documents such as the attendance book

The Company shall set out in the notice of meeting the time of acceptance of shareholders, solicitor, and agent (hereinafter referred to as "shareholders"), place of registration, and Other precautions.

The time for accepting the shareholders' report in the preceding paragraph shall be at least 30 minutes before the commencement of the meeting; It should be clearly marked and assigned to suitable personnel to handle it;

The video conference shall be reported 30 minutes before the start of the meeting on the video conference platform. Shareholders who complete the presentation shall be deemed as attending the meeting in person. Shareholders shall attend the shareholders' meeting by providing their attendance certificates, attendance cards or Other documents; The Company shall not arbitrarily add requirements for providing Other certification documents for shareholders' attendance in accordance with the

certification documents; The solicitor that is a solicitation of the power of attorney should bring along the identification document for verification.

The Company shall establish a signature book for the attending shareholders to sign in, or the attending shareholders shall pay in lieu of the signature.

The Company shall deliver the meeting handbook, annual report, attendance certificate, speech article, voting and Other meeting materials to the shareholders present at the shareholders' meeting; For those who elect Director, the voting rights shall be attached.

When the government or juristic person is a shareholder, Representative s attending the shareholders' meeting shall not be limited to one person. When a juristic person is entrusted to attend the shareholders' meeting, it may only appoint one person to attend the meeting on its behalf.

If the shareholders' meeting is convened by video conference, the shareholders who intend to attend the meeting by video conference shall register with the Company two days before the meeting.

If the shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and relevant information of Other to the video conference platform at least 30 minutes before the meeting, and continue to disclose it to the end of the meeting.

Article 6-1 When holding a shareholders' meeting via video conference, the meeting notice shall include the matters to be recorded.

When convening a shareholders' meeting via video conference, the following matters shall be specified in the shareholders' meeting notice:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. The video conferencing platform or the method of processing barriers to participate in video conferencing due to natural disasters, events or force majeure of Other, including at least the following:
  - (1) The continuing inability to rule out the time at which a postponement or postponement of a meeting may occur and the date on which a postponement or postponement takes place.
  - (2) Shareholders who have not registered to participate in the Original Shareholders' Meeting by video conference shall not participate in the postponement or renewal of the meeting.
  - (3) Convene a video conference to assist with shareholders' meetings. If the video conference cannot be continued, the total number of shares present reached the statutory quota of the shareholders' meeting after deducting the number of shares present by video conference. The shareholders' meeting shall continue, and the number of shares present shall be included in the total number of shares of the

shareholders present, and shall be deemed as having waived all the proposals of the shareholders' meeting.

(4) In the event that all resolutions have been announced, and Extempore Motion has not been carried out, the treatment shall be taken.

3. To convene a shareholders' meeting via video conference, and shall specify the appropriate replacement measures provided by shareholders who have difficulties in participating in the shareholders' meeting via video conference.

#### 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. Record and keep records of the Company's counting results and other data, and continuously audio and video recording throughout the video conference. The Company shall keep the audio recordings properly during the survival period and

provide the recordings to the person who is entrusted to handle the video conference affairs for preservation.

#### 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. Shareholders who intend to attend the shareholders' meeting by video conference shall re-register with the Company in accordance with Article 6.

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.

Where a shareholders' meeting is held by video conference, shareholders participating in the meeting may raise questions by text on the video conference platform after the chairman announces the meeting and before the announcement of Adjournment. The number of questions for each motion shall not exceed two, and the number of questions for each motion shall be limited to 200 words, and the provisions of Articles 1 to 5 shall not apply.

#### 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.

The Company holds a shareholders' meeting via video conference. Shareholders participating in the meeting via video conference shall vote for each proposal and for the election of resolutions via the video conference platform after the chairman announces the meeting. The results shall be completed before the chairman announces the voting. Those who exceed the time shall be regarded as having abstained.

If a shareholders' meeting is held by video conference, it shall be counted as a one-time vote after the chairman announces the closing of the vote, and announce the voting and election results.

When the Company convenes a shareholders' meeting, the shareholders who have registered to attend the shareholders' meeting by video in accordance with the provisions of Article 6. If they wish to attend the physical shareholders' meeting in person, they shall revoke the registration two days before the shareholders' meeting in the same manner as the registration; If the overdue is revoked, only the meeting can be attended by video conference.

When voting rights are exercised in writing or electronically, without revoking their declarations of intention, and participating in the shareholders' meeting by video conferencing, except for Extempore Motion, they shall not exercise voting rights on the original proposal or propose amendments to the original proposal or exercise voting rights on the amendments to the original proposal.

#### 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.

If the shareholders' meeting is held by video conference, the minutes shall record the time and date of the shareholders' meeting, the manner of the meeting, the name of the chairman and the record, and the treatment and handling of the video conference platform or participation in the video conference due to natural disasters, events or

force majeure of Other. When the Company convenes a shareholders' meeting via video conference, in addition to the preceding paragraph, it shall also specify in the meeting minutes the alternative measures provided by shareholders who have difficulties in participating in the shareholders' meeting via video conference.

#### Article 16 Public disclosure

The number of shares obtained by the solicitor, the number of shares represented by the proxy and the number of shares attended by shareholders in writing or electronically shall be clearly disclosed by the Company on the date of the shareholders' meeting in accordance with the statistical table in the prescribed format on the shareholders' meeting venue; If the shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes prior to the commencement of the meeting and continue to disclose it to the end of the meeting.

When the Company convenes a shareholders' meeting via video conference, it shall disclose the total number of shares of attending shareholders on the video conference platform. The same shall apply if the total number of shares represented by shareholders present in the meeting as well as their voting rights.

If there is any material information required by the laws of the Republic of China and the Taiwan Stock Exchange Corporation for the shareholders' meeting, Resolution, the Company shall transmit the content to Market Observation Post System within the prescribed time.

#### 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 Information disclosure of video conference

If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of each proposal on the video conference platform after the voting is completed in accordance with the regulations, and shall continue to disclose at least 15 minutes after the chairman announces Adjournment.

#### Article 20 Location of the chairman and recorder of the video conference

When the Company convenes a video shareholders' meeting, the chairman and the recorder shall be at the same place in the country, and the chairman shall announce the address of the place at the time of the meeting.

#### Article 21 Handling of broken information

If the shareholders' meeting is held by video conference, the video conference platform or participation in video conference before the chairman announces Adjournment due to natural disasters, events or Other force majeure events, which continue for more than 30 minutes, shall be postponed or adjourned within five days, and the provisions of Article one hundred and eighty-two of Company Act shall not apply.

Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponement or renewal of the meeting.

In accordance with the provisions of the first paragraph, the number of shares present at the original shareholders' meeting, the voting rights exercised and the voting rights elected shall be included in the total number of shares, voting rights and the number of voting rights elected of the shareholders attending the postponed or renewal meeting.

When the shareholders' meeting is postponed or the meeting is adjourned in accordance with the first paragraph, the proposals that have completed the voting and vote, and announced the voting results or the list of elected Director and supervisors do not need to re-discuss and Resolution.

When the Company is unable to renew its video conference due to the first paragraph, if the total number of shares present still reaches the statutory quota of the shareholders meeting after deducting the number of shares present in the video conference, the shareholders' meeting shall continue, without the need to postpone or postpone the meeting in accordance with the first paragraph.

Shareholders who participate in the shareholders' meeting by video conference shall be counted into the total number of shares of the shareholders present, but shall be deemed as having waived all the proposals of the shareholders' meeting.

The Company shall postpone or postpone the meeting in accordance with the first paragraph in accordance with the provisions listed in Paragraph 7, Article forty-four-20 of Regulations Governing the Administration of Shareholder Services of Public

Companies, and shall carry out relevant pre-procedures in accordance with the original date of the shareholders' meeting and each of the provisions therein. The Company shall postpone or postpone the date of the shareholders' meeting in accordance with the provisions of the first paragraph during the period specified in the latter paragraph of Article 12 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, the third paragraph of Article 13, the second paragraph of Article forty-four of Regulations Governing the Administration of Shareholder Services of Public Companies, the first paragraph of Article forty-four-15 and the first paragraph of Article forty-four-17.

#### Article 22 Digital gap handling

When the Company convenes a shareholders' meeting via video conference, it shall provide appropriate alternatives to shareholders who have difficulties attending the shareholders' meeting by video conference.

#### Article 23 Procedures for Formulation and Amendment

These Rules, and any amendments hereto, shall be implemented after approval by the shareholders' meeting after being submitted to the Director meeting. These Rules were formulated on 20 March 2020.

The first amendment was made on 11 May 2022.

# **【Appendices 2】 Corporate Governance Best Practise Principles**

## Chapter 1 General Principles

### Section 1 (Legislative Purpose)

To assist listed companies in establishing sound corporate governance systems and to promote the healthy development of the securities market, Taiwan Stock Exchange Corporation (hereinafter referred to as the Exchange) and Taipei Exchange (hereinafter referred to as the Taipei Exchange) have jointly formulated this code for compliance.

Listed companies should refer to the relevant provisions of this code to establish their own corporate governance guidelines, build an effective corporate governance structure, and disclose it at the Market Observation Post System.

### Article 2 (Principles of Corporate Governance)

The Company shall establish a corporate governance system, which shall comply with the provisions of the Statute and the Articles, as well as the contracts and related regulations signed with the stock exchange or Taipei Exchange, and shall be governed by the following principles:

- I. Ensure the protection of shareholders' equity.
- II. Strengthen the Board of Directors functions.
- III. Perform the functions of the supervisor.
- IV. Respect the interests of stakeholdersequity.
- V.Enhance information transparency.

### Article 3 (Establishment of Internal Control System)

The Company shall, in accordance with the Rules for Handling the Establishment of Internal Control Systems by Public Offering Company, design and effectively implement its internal control systems, taking into account the overall operational activities of the Company and its subsidiaries, and shall continuously review them to respond to changes in the internal and external environment of the Company, ensuring that the design and implementation of such systems remain effective.

In addition to conducting a self-assessment of the internal control system, the Board of Directors and management should review the self-assessment results of each department at least annually and examine the audit reports from the audit unit on a quarterly basis, while the Audit Committee should pay attention to and supervise these matters. The Director should regularly hold discussions with internal audit personnel regarding deficiencies in the internal control system, and records should be made to track and implement improvements, and a report should be submitted to the Board of Directors. The Company should establish communication channels and mechanisms between the Independent Directors, Audit Committee, and the head of internal audit, and the convenor of the Audit Committee should report to the shareholders' meeting on the communication situation between the members of the Audit Committee and the head of internal audit.

The management of the Company should pay attention to the internal audit unit and personnel, granting them sufficient authority to effectively inspect and assess deficiencies in the internal control system and measure operational efficiency,

ensuring that the system is continuously and effectively implemented, and assisting the Board of Directors and management in fulfilling their responsibilities, thereby implementing the corporate governance system.

The appointment, evaluation, and remuneration of the Company's internal audit personnel should be submitted to the Board of Directors or reported by the audit supervisor for approval by the Chairman.

#### Article 3-1 (Persons responsible for matters related to corporate governance)

The Company shall allocate a suitable number of qualified corporate governance personnel based on the scale of the Company, business conditions, and management needs, and shall designate one corporate governance officer in accordance with the regulations of the competent authorities, the stock exchange, or Taipei Exchange, who shall be the highest officer responsible for corporate governance-related matters. This officer must have obtained qualifications as a lawyer or accountant, or have held a managerial position for at least three years in legal affairs, compliance, internal audit, finance, shareholder services, or corporate governance-related units in securities, finance, futures-related institutions, or public companies.

The matters related to corporate governance mentioned above shall include at least the following contents:

- I. Matters related to the meetings of the Board of Directors and shareholders' meetings shall be handled in accordance with the law.
- II. Prepare minutes of the Board of Directors and shareholders' meetings.
- III. Assist the Directors and Supervisors in their appointment and ongoing education.
- IV. Provide the information required by the Directors and Supervisors to perform their duties.
- V. Assist the Directors and Supervisors in complying with the law.
- VI. Report to the Board of Directors the results of the review regarding whether the qualifications of the Independent Directors comply with relevant laws and regulations during the nomination, election, and tenure periods.
- VII. Handle matters related to the changes of Directors.
- VIII. Other matters as stipulated in the Articles of Incorporation or contracts.

### Chapter 2 Protection of Shareholders' Equity

#### Section 1: Encouraging Members to Participate in Company Governance

##### Article 4 (Protection of Shareholders' Equity)

The Company's corporate governance system shall safeguard the equity of the Members and treat all Members fairly.

The Company shall establish a corporate governance system that ensures shareholders have sufficient knowledge, participation, and decision-making rights regarding significant matters of the Company.

##### Article 5 (Calling of General Meetings and Establishment of Comprehensive Rules of Procedure by Listed Companies)

The Company shall convene a meeting of Members in accordance with the provisions of the Company Act and relevant regulations, and establish comprehensive rules of procedure, ensuring that matters requiring a resolution by the meeting of Members are executed in accordance with the rules of procedure.

The content of the Company's general meeting resolution shall comply with the provisions of the Statute and Articles of Incorporation.

Article 6 (The board of Directors of listed companies shall properly arrange the agenda and procedures for shareholders' meetings)

The Board of Directors of the Company shall properly arrange the agenda and procedures for the general meeting of shareholders, establish principles and procedures for shareholder nominations of Directors and proposals at the general meeting, and appropriately handle proposals submitted by shareholders in accordance with the law; the general meeting shall be held at a convenient location and should be supplemented by video conferencing, allowing sufficient time and appointing adequately qualified personnel to handle the registration process, without arbitrarily adding requirements for additional documentation beyond what shareholders are required to provide; reasonable discussion time shall be allocated for each agenda item, and shareholders shall be given appropriate opportunities to speak.

The general meeting of shareholders convened by the Board of Directors should be presided over by the Chairman in person, and there should be a majority of the Directors (including at least one Independent Director) and the convenor of the Audit Committee (or at least one supervisor) present in person, along with at least one representative from the other Functional Committees, and the attendance should be recorded in the minutes of the shareholders' meeting.

Article 7 (Listed Companies Should Encourage Shareholder Participation in Corporate Governance)

The Company shall encourage shareholders to participate in corporate governance and should engage a professional securities agent to handle the affairs of the general meeting, ensuring that the meeting is convened under legal, effective, and secure conditions. The Company shall utilise various methods and channels to fully adopt technological means of information disclosure, simultaneously uploading the Chinese and English versions of the annual report, annual financial report, notice of the general meeting, meeting handbook, and supplemental materials for the meeting, and shall implement electronic voting to increase the attendance rate of Members at the general meeting and ensure that Members can exercise their rights at the general meeting in accordance with the law.

The Company should avoid proposing Extemporaneous Motions and amendments to the original agenda items at the general meeting.

The Company should arrange for shareholders to vote on each proposal at the general meeting, and on the day of the general meeting, input the results of shareholders' approvals, disapprovals, and abstentions into the Market Observation Post System.

Article 8 (Minutes of General Meetings)

The Company shall, in accordance with the Company Act and relevant regulations, record in the minutes of the general meeting the year, month, day, location, name of the chairman, and method of resolution, and shall also record the main points of the proceedings and the results. The election of Directors shall specify the voting method and the number of votes required for the election of Directors.

The minutes of the shareholders' meeting shall be permanently and properly kept during the existence of the Company, and if the Company has a website, they should be fully disclosed.

Article 9 (The chair of the general meeting shall be fully aware of and comply with the rules of procedure established by the Company)

The chairman of the general meeting shall be fully aware of and comply with the rules of procedure established by the Company and maintain the smooth progress of the agenda, and shall not arbitrarily declare Adjournment.

To protect the interests of the majority shareholders, in the event that the chairman violates the rules of procedure and declares an adjournment, the other members of the board should promptly assist the attending shareholders in accordance with legal procedures to elect one person as chairman with the consent of a majority of the attending shareholders and continue the meeting.

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

The Company shall value the rights of shareholders to know and shall strictly comply with the relevant regulations on information disclosure, regularly and promptly providing information regarding the Company's financial status, business operations, insider shareholdings, and corporate governance through the Market Observation Post System or the website established by the Company.

To ensure equal treatment of shareholders, the disclosure of the various types of information mentioned above should be made simultaneously in English.

To protect shareholders' equity and ensure equal treatment of shareholders, the Company shall establish internal regulations prohibiting insiders from trading securities based on non-public information in the market.

The aforementioned regulations should include stock trading control measures for the Company's insiders from the date they become aware of the Company's financial reports or related performance information, including (but not limited to) that Directors shall not trade their shares during the closed periods of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report.

Article 10-1 The Company shall report at the annual general meeting of shareholders the remuneration received by the Directors, including the remuneration policy, the details and amounts of individual remuneration, and the correlation with performance evaluation results.

Article 11 (Members shall have the right to share in the profits of the Company)

Members shall have the right to share in the profits of the Company. To ensure shareholders' investment equity, the shareholders' meeting may examine the records prepared by the Board of Directors in accordance with Article 184 of the Company Act, the report of the Audit Committee, and resolve on the distribution of profits or covering of losses. The shareholders' meeting may appoint inspectors for the execution of the aforementioned audit.

Members may apply to the court for the appointment of an inspector in accordance with Article 245 of the Company Act to examine the Company's business accounts, property situation, specific matters, specific transaction documents, and records.

The Company's Board of Directors, Audit Committee, and managerial officers shall fully cooperate with the audit operations of the aforementioned two inspectors and shall not engage in any acts of evasion, obstruction, or refusal.



Article 12 (Significant Financial Transactions Must Be Approved by the Shareholders' Meeting)

The Company shall conduct significant financial transactions such as acquiring or disposing of assets, lending funds, and providing endorsements and guarantees in accordance with relevant laws and regulations, and shall establish relevant operating procedures to be submitted for approval by the Shareholders Meeting to protect the equity of the shareholders.

When the Company engages in mergers or public acquisitions, in addition to complying with relevant statutory provisions, attention must be paid to the fairness and reasonableness of the merger or public acquisition plans and transactions, as well as to information disclosure and the subsequent soundness of the Company's financial structure.

The personnel of the Company handling the matters related to the foregoing shall pay attention to conflicts of interest and avoidance situations.

Article 13 (Listed Companies Should Have Dedicated Personnel to Properly Handle Shareholder Proposals)

To ensure the equity of the Members, the Company should have dedicated personnel to properly handle shareholder proposals, inquiries, and disputes.

If the Company's shareholders' meeting or the Board of Directors resolves in violation of the law or the Articles of Incorporation, or if its Directors or managerial officers violate the law or the provisions of the Articles of Incorporation in the performance of their duties, resulting in damage to the shareholders' equity, the Company shall appropriately handle any situation where shareholders file a litigation according to the law.

The Company should establish internal operating procedures to properly handle the above two matters, maintain written records for reference, and incorporate them into the internal control system.

Section 2 Establishing Interaction Mechanisms with Shareholders

Article 13-1 (Directors shall be responsible for establishing a mechanism for interaction with shareholders)

The Directors of the Company shall be responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the Company's developmental goals.

Article 13.2 (Communicating and Engaging with Shareholders Effectively to Obtain Support)

The Board of Directors of the Company communicates with shareholders through general meetings, encourages their participation in such meetings, and efficiently engages with shareholders to understand their opinions and concerns, along with managerial officers and Independent Directors, clearly explaining the Company's policies to gain shareholder support.

Section 3 Corporate Governance Relationships Between the Company and Related Parties

Article 14 (Establishment of Firewalls)

The management objectives and responsibilities regarding personnel, assets, and finances between the Company and its related enterprises should be clarified, and risk assessments should be effectively executed to establish appropriate firewalls.

Article 15 (Managerial officers shall not hold concurrent positions with the managerial officers of related enterprises.)

Unless otherwise provided by the Statute, the managerial officers of the Company shall not hold concurrent positions with the managerial officers of affiliated companies.

Director who engages in conduct for himself/herself/itself or on behalf of another person within the scope of the Company's business shall disclose to the Members at a general meeting the material information of such conduct and obtain their approval.

Article 16 (Establishment of Sound Financial, Business, and Accounting Management Systems)

The Company shall establish sound financial, operational, and accounting management objectives and systems in accordance with relevant laws and regulations, and shall appropriately conduct comprehensive risk assessments with its related parties regarding major banks, customers, and suppliers, implementing necessary control mechanisms to reduce credit risk.

Article 17 (Listed companies and their affiliated enterprises engaging in business transactions shall adhere to the principles of fairness and reasonableness.)

The Company and its related parties and shareholders that have financial business dealings or transactions shall establish written regulations regarding their financial business operations based on the principles of fairness and reasonableness. The pricing conditions and payment methods for contractual matters should be clearly stipulated, and unconventional transactions and improper benefit transfers should be eliminated.

The content of the written specifications mentioned above shall include the management procedures for transactions such as sales and purchases, acquisition or disposal of assets, fund lending, and endorsement guarantees, and relevant significant transactions shall be submitted to the Board of Directors for resolution, and reported to or approved by the shareholders' meeting.

Article 18 (Matters to be complied with by corporate Members with controlling power over listed companies)

Corporate Members with control over listed companies shall comply with the following matters:

- I. There shall be a duty of good faith towards other Members, and the Company shall not be operated in a manner that is inconsistent with normal business practises or otherwise detrimental.
- II. The representative shall comply with the relevant regulations established by listed companies regarding the exercise of rights and participation in decision-making. When attending the general meeting of Members, they shall exercise their voting rights in good faith and in the best interest of all Members, and shall faithfully and diligently fulfil their duties as a Director or Supervisor.
- III. The nominations for the Company's Directors and Supervisors shall be conducted in accordance with the relevant laws and the provisions of the Articles of Incorporation, and shall not exceed the authority of the Shareholders' Meeting and the Board of Directors.

- IV. No improper interference with the Company's decision-making or hindrance of its business activities is allowed.
- V. The Company shall not restrict or hinder its production and operation through unfair competition methods such as monopolistic procurement or closed sales channels.
- VI. The corporate representatives appointed due to their election as Directors or Supervisors shall meet the professional qualifications required by the Company and should not be arbitrarily reassigned.

#### Article 19 (List of Major Shareholders and Ultimate Controllers of Major Shareholders)

The Company shall keep abreast of the list of major shareholders who hold a significant proportion of Shares and the ultimate controllers of such major shareholders.

The Company shall regularly disclose any important matters related to the pledging, increase or decrease of shares by shareholders holding more than ten percent of the shares, or any other events that may cause changes in shareholding, so that other shareholders can exercise their oversight.

The major shareholders referred to in the first paragraph are those whose shareholding ratio reaches more than five percent or ranks among the top ten shareholders, but the Company may establish a lower shareholding ratio based on the actual control of the Company.

### Chapter 3 Strengthening the Functions of the Board of Directors

#### Section 1 Board Structure

##### Article 20 (Directors should possess overall capabilities)

The Board of Directors of the Company shall guide the Company's strategy, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with the provisions of the law, the Articles of Incorporation, or the resolutions of the shareholders' meeting resolutions.

The structure of the company's Board of Directors shall determine the appropriate number of Directors, which shall be no less than five (5) persons, taking into account the scale of the company's operational development and the shareholding situation of its major shareholders, and considering the practical operational needs.

The composition of the Board of Directors should consider diversity. In addition to the managerial officers who serve as Directors, the number of Directors should not exceed one third. Furthermore, appropriate diversity policies should be formulated based on the company's operations, operational model, and development needs, which should include, but not be limited to, the following two major aspects:

I. Basic conditions and values: gender, age, nationality, and culture, among which the ratio of female Directors should reach one third of the total Directors seats.

II. Professional Knowledge and Skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Directors should generally possess the knowledge, skills, and competencies necessary to perform their duties. To achieve the ideal goals of corporate governance, the overall capabilities that the Board of Directors should possess are as follows:

- I. Operational judgement capability.
- II. Accounting and Financial Analysis Capability.

- III. Management Capability.
- IV. Crisis Management Capability.
- V. Industry Knowledge.
- VI. International Market Outlook.
- VII. Leadership ability.
- VIII. Decision-making ability.

Article 21 (Listed and Over-the-Counter Companies Shall Establish Fair, Just, and Open Director Nomination Procedures)

Our Company shall establish a fair, just, and open Director nomination procedure in accordance with the principles of protecting shareholders' equity and treating shareholders fairly, encouraging shareholder participation, and shall adopt a cumulative voting system in accordance with the provisions of the Company Act to fully reflect shareholders' opinions.

Unless approved by the competent authority, the number of Directors shall exceed half of the total seats, and they shall not have a spousal or second-degree relative relationship.

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. However, if the number of vacancies in the board of Directors reaches one third of the total number of seats as stipulated in the Articles, the Company shall convene an extraordinary general meeting within sixty days from the date of the occurrence.

The total shareholding ratio of all Directors of the Company shall comply with the provisions of the law, and the restrictions on the transfer of shares, the creation or release of security interests, and any changes thereof for each Director shall be handled in accordance with relevant regulations, and all information shall be fully disclosed.

Article 22 (The Articles specify the adoption of a candidate nomination mechanism for the election of Directors)

The Company shall, in accordance with the regulations of the competent authority, adopt a candidate nomination mechanism for the election of Directors as stipulated in the Articles of Association, carefully assess the qualifications of the nominees and whether any circumstances listed in Article 30 of the Company Act apply, and handle matters in accordance with the provisions of Article 192-1 of the Company Act.

Article 23 (The board of Directors of listed companies shall clearly delineate the authority and responsibilities of the Functional Committee, the Chairman, and the General Manager)

The responsibilities of the Company's Chairman and General Manager should be clearly defined.

Chairman and General Manager or equivalent positions should not be held by the same person.

The Company shall clearly define the responsibilities of the Functional Committee.

## Section 2 Independent Director System

Article 24 (The Company shall establish Independent Directors in accordance with the provisions of the Articles of Association)

The Company shall establish no less than two (2) Independent Directors in accordance with the provisions of the Articles of Incorporation, and they should not be less than one-third of the total number of Directors; the term of office for Independent Directors should not exceed three consecutive terms.

Independent Director shall have professional knowledge, and their shareholding should be restricted. In addition to complying with relevant regulations, they should not concurrently serve as a Director (including Independent Directors) or supervisor for more than five listed companies. Furthermore, they must maintain independence in discharging their duties and shall not have any direct or indirect interests in the Company.

The Company and its group enterprises and organisations, along with other companies and their group enterprises and organisations, may mutually nominate each other's Directors, Supervisors, or Managerial Officers as candidates for Independent Directors. The Company shall disclose this when accepting nominations for Independent Directors and explain the qualifications of the nominated Independent Director candidate. If elected as an Independent Director, the number of votes for their election shall be disclosed.

The Group enterprises and organisations referred to above include the scope applicable to the Company's subsidiaries, foundations that have received direct or indirect donations exceeding fifty percent, and other entities or legal persons with substantial control.

Independent Director and nonIndependent Director shall not change their status during their term of office.

The professional qualifications, restrictions on shareholdings and concurrent positions, assessment of independence, nomination methods, and other compliance matters regarding Independent Directors shall be governed by the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the stock exchange, or the Taipei Exchange.

Article 25 (Matters to be submitted to the Board of Directors for resolution approval)

The Company shall submit the following matters to the Board of Directors for resolution in accordance with the provisions of the Securities and Exchange Act; if any Independent Directors have dissenting or reserved opinions, they shall be recorded in the minutes of the Board of Directors meeting:

- I. Establish or amend internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
- II. In accordance with Article 36-1 of the Securities and Exchange Act, establish or amend the handling procedures for significant financial transactions involving the acquisition or disposal of assets, engaging in derivative trading, lending funds to others, endorsing on behalf of others, or providing guarantees.
- III. Matters involving the Director or Supervisor's personal interests.
- IV. Significant assets or derivative transactions.
- V. Major funding loans, endorsements, or guarantees.
- VI. The raising, issuance, or private placement of securities with equity characteristics.
- VII. Appointment, removal or remuneration of the auditor.
- VIII. Appointment and dismissal of the financial, accounting, or internal audit officers.
- IX. Other significant matters as prescribed by the competent authority.

Article 26 (Listed Companies Shall Clearly Define the Scope of Responsibilities of Independent Directors)

The Company shall clearly define the scope of duties of the Independent Director and provide the necessary human and material resources for the exercise of their powers. The Company or other members of the Board of Directors shall not obstruct, refuse, or evade the execution of duties by the Independent Directors.

The Company shall establish the remuneration of the Director in accordance with the relevant laws and regulations. The Director's remuneration shall adequately reflect individual performance and the Company's long-term operational performance, and shall comprehensively consider the Company's operational risks. The Independent Director may determine a reasonable remuneration that differs from that of general Directors.

### Section 3 Functional Committee

#### Article 27 (Establishment of the Functional Committee)

The Company's Board of Directors may establish audit, compensation, nomination, risk management, or other types of functional committees based on considerations of the Company's scale, nature of business, and number of Directors, in order to enhance supervisory functions and strengthen management capabilities. Additionally, it may establish environmental protection, corporate social responsibility, or other committees based on the principles of corporate social responsibility and sustainable operation, as specified in the Articles of Association.

Functional Committee shall be accountable to the Board of Directors and submit the proposed resolutions to the Board of Directors for resolution. However, the Audit Committee exercising the powers of an inspector in accordance with the provisions of Article 14-4, Section 4 of the Securities and Exchange Act shall not be limited by this. Functional Committee shall establish organisational regulations, which shall be approved by the Board of Directors through a resolution. The contents of the organisational regulations shall include the number of committee members, their term of office, matters of authority, rules of procedure, and resources that the company should provide when exercising their powers.

#### Article 28 (Listed companies shall establish either an Audit Committee or a Supervisor)

The Company shall establish the Audit Committee.

The Audit Committee shall be composed of all Independent Directors, with a minimum of three members, one of whom shall be the convenor, and at least one member shall possess accounting or financial expertise.

The exercise of powers and related matters by the Audit Committee and its Independent Director members shall be conducted in accordance with the Securities and Exchange Act, the applicable regulations governing the exercise of powers by the public company Audit Committee, and the provisions of the stock exchange or Taipei Exchange.

#### Article 28-1 (Listed Companies Shall Establish the Remuneration Committee)

The Company shall establish a Remuneration Committee, with a majority of its members being Independent Directors; the professional qualifications of its members, the exercise of powers, the establishment of organisational regulations, and related matters shall be handled in accordance with the provisions of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee

of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Article 28-2 (Listed Companies Should Establish a Nomination Committee)

The Company should establish a nomination committee and formulate its organisational regulations, with a majority of the members to be served by Independent Directors, and chaired by an Independent Director.

Article 28-3 (Whistleblowing System)

The Company should establish and announce reporting channels for internal and external personnel, and create a whistleblower protection system; the receiving unit should possess independence, provide encrypted protection for the files submitted by whistleblowers, appropriately restrict access rights, and formulate internal operating procedures to be incorporated into the internal control system.

Article 29 (Strengthening and Enhancing the Quality of Financial Reports)

To enhance the quality of financial reporting, the Company should appoint a proxy for the position of Accounting Supervisor.

The proxy of the aforementioned Accounting Supervisor shall undergo continuous education annually in accordance with the Accounting Supervisor to enhance the professional capabilities of the Accounting Supervisor proxy.

Accounting personnel involved in the preparation of financial reports should also undertake more than six hours of professional development courses each year. The methods of continuing education may include participating in internal training provided by the company or attending professional courses organised by Accounting Supervisor training institutions.

The Company shall select professional, responsible, and independent auditors to conduct regular audits of the Company's financial condition and internal controls.

The company should thoroughly review and improve the abnormalities or deficiencies identified and disclosed by the auditor during the audit process, along with the specific recommendations for improvement or fraud prevention. It is advisable to establish communication channels or mechanisms between the Independent Director, supervisors, or the Audit Committee and the certified public accountant, and to formulate internal operating procedures and incorporate them into the internal control system.

The Company shall regularly (at least once a year) assess the independence and suitability of the appointed auditors by referencing the Audit Quality Indicators (AQIs). If the Company has not changed its auditor for seven consecutive years or if the auditor has been subject to sanctions or circumstances that impair independence, it should assess the necessity of changing the auditor and report the assessment results to the Board of Directors.

Article 30 (Provision of Appropriate Legal Services to the Company)

The Company should appoint qualified professional lawyers to provide appropriate legal advisory services to the Company, or assist the Directors, supervisors, and management in enhancing their legal literacy, avoiding violations of laws by the Company and related personnel, and ensuring that corporate governance operations function within the relevant legal framework and statutory procedures.

In the event that any Director, supervisor, or management executes business in accordance with the law and is involved in litigation or has disputes with shareholders, the Company shall engage a lawyer for assistance as necessary. Audit Committee or its Independent Director members may appoint lawyers, accountants, or other professionals to conduct necessary audits or provide consultations related to the exercise of their powers, with the costs borne by the Company.

#### Section 4 Rules of Procedure and Decision-Making of the Board of Directors Article 31 (Board of Directors Meeting Convening)

The board of Directors of the Company shall meet at least once every quarter, and may be convened at any time in the event of an urgent situation. The notice of the meeting of the Directors shall specify the reasons for convening and shall be sent to each Director and the supervisor at least 7 days in advance, along with sufficient meeting materials to be sent together with the notice. If the meeting materials are insufficient, the Director shall have the right to request supplementation or to postpone the discussion after a Board of Directors resolution.

Our company shall establish the Director meeting rules; the main agenda content, operational procedures, and matters to be recorded in the minutes, announcements, and other compliance matters shall be handled in accordance with the Applicable Public Company Director meeting rules.

#### Article 32 (Director shall uphold a high degree of self-discipline)

Director shall uphold a high degree of self-discipline and, in respect of the matters listed in the Board, disclose to the meeting the material information of any personal interest he or she may have, or any interest that may be held by the corporation he or she represents. If there is a risk of impairing the interests of the Company, he or she shall not participate in the discussion or voting, and shall abstain from both discussion and voting, and shall not vote on behalf of any other Director.

The Director shall avoid matters of self-interest, which should be clearly stipulated in the Director meeting rules.

#### Article 33 (Meeting of Independent Directors and Directors)

The Independent Director of the Company shall personally attend the matters to be proposed at the board meeting in accordance with Article 14-3 of the Securities and Exchange Act, and shall not delegate a non-Independent Director as a proxy.

Independent Director should state any objections or reservations in the minutes of the Board meeting; if an Independent Director cannot attend the Board meeting in person to express objections or reservations, they should provide written opinions in advance, stating valid reasons, which shall be recorded in the minutes of the Board meeting.

In the event of any of the following circumstances occurring in relation to the decisions made by the Board of Directors, in addition to being recorded in the minutes, an announcement shall be made at the Board of Directors at least two hours before the trading hours on the next business day, at the Market Observation Post System.

- I. Independent Director has objections or reservations that are recorded or stated in writing.
- II. The Company shall establish the Audit Committee, and any matters not approved by the Audit Committee shall require the consent of more than two-thirds of all Directors.



Directors will notify the relevant departments of the content of the proposals during the meeting, and non-Directors managerial officers will attend the meeting to report on the current business status of the Company and respond to questions raised by Directors.

If necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting to assist the Director in understanding the current situation of the company and making appropriate resolutions, but they should leave during discussions and voting.

#### Article 34 (Minutes of the Board of Directors)

The board of Directors of the Company shall accurately record the meeting reports and summaries of each agenda item, as well as the methods and results of the resolutions, in accordance with the relevant regulations.

The minutes of the Board of Directors meeting must be signed or sealed by the chairman of the meeting and the recorder, and distributed to each Director and supervisor within twenty days after the meeting. The attendance register of the Board of Directors shall be part of the minutes and should be included in the company's important documents, to be permanently and properly preserved during the existence of the company.

The minutes may be prepared, distributed, and stored electronically.

The Company shall record the entire process of the Board meeting by audio or video for evidence and shall keep such recordings for at least five years, which may be stored electronically.

Before the expiration of the preservation period mentioned above, if a Director related decision matter arises concerning litigation, the relevant audio or video evidence shall continue to be preserved, and the provisions of the preceding paragraph shall not apply.

A meeting of the Board of Directors held by video conference shall have its audio and video recordings considered part of the minutes and shall be preserved permanently.

If the resolutions of the Board of Directors violate laws, regulations, or the resolutions of the shareholders' meeting, resulting in damage to the Company, the dissenting Directors shall be exempt from liability for damages if there is a record or written statement to prove their dissent.

#### Article 35 (Matters to be Discussed by the Board of Directors)

The Company shall submit the following matters for discussion at the Board of Directors meeting:

- I. Company's operational plan.
- II. Annual Financial Statements and Half-Year Financial Statements. However, the semi-annual financial statements are not required to be audited by an accountant in accordance with the law.  
The approval signatory shall not be limited herein.
- III. Establish or amend internal control systems in accordance with Article 14-1 of the Securities and Exchange Act, and ensure the effectiveness of the internal control systems.  
Assessment of nature.
- IV. In accordance with Article 36-1 of the Securities and Exchange Act, establish or amend the handling procedures for significant financial transactions involving the acquisition or disposal of assets, engaging in derivative trading, lending funds to others, endorsing for others, or providing guarantees.

- V. The raising, issuing, or private placement of securities with equity characteristics.
- VI. Performance evaluation and remuneration standards for managerial officers.
- VII. Director's remuneration structure and system.
- VIII. Appointment and dismissal of the financial, accounting, or internal audit officers.
- IX. Donations to related parties or significant donations to non-related parties.  
However, due to major natural disasters, emergency relief is provided.  
The nature of donation may be recognised at the next Board meeting.
- X. According to Article 14.3 of the Securities and Exchange Act, other matters that should be resolved by the Shareholders Meeting or submitted to the Board of Directors for resolution, or significant matters as stipulated by the competent authority.  
Unless otherwise provided in the preceding paragraph regarding matters to be discussed at the Board of Directors meeting, during the recess of the Board of Directors, those authorised to exercise the powers of the Board of Directors shall do so in accordance with the law or as stipulated in the Articles of Incorporation, and the level, content, or matters of such authorization shall be specific and clear, and shall not be granted in a general manner.

Article 36 (The resolutions of the Board of Directors shall be clearly assigned to appropriate executing units or personnel for implementation.)

The Company shall clearly assign the matters to be handled in accordance with the resolutions of the Board of Directors to the appropriate executing units or personnel, requiring execution according to the planned schedule and objectives, while also including tracking management to effectively assess the implementation status.

The Board of Directors shall fully grasp the execution progress and report at the next meeting, so that the Board of Directors's operational decisions can be implemented.

## Section 5 Directors' Duty of Loyalty and Responsibility

Article 37 (Directors shall faithfully carry out their duties with care.)

Directors shall faithfully carry out their duties and exercise the care of a good manager, and shall exercise their powers with a high degree of self-discipline and prudence. Regarding the execution of the Company's business, unless otherwise provided by law or the Articles of Incorporation that matters should be resolved by the shareholders' meeting resolution, they shall act in accordance with the Board of Directors resolution.

The Company should establish performance evaluation methods and procedures for the Board of Directors. In addition to conducting annual self or peer evaluations of the Board of Directors and individual Directors, it may also appoint external professional organisations or conduct performance evaluations in other appropriate ways. The evaluation content for the Board of Directors should include the following aspects and consider the company's needs to establish suitable evaluation indicators:

- I. Degree of participation in the Company's operations.
- II. Enhance the quality of decision-making by the Board of Directors.
- III. Board composition and structure.
- IV. Appointment of Directors and Continuing Education.
- V. Internal Control.

The evaluation of the performance of Directors (self or peer) should include the following aspects and be appropriately adjusted according to the company's needs:

- I. Understanding the company's objectives and mission.
- II. Directors Responsibilities Awareness.

- III. Degree of participation in the Company's operations.
- IV. Internal Relationship Management and Communication.
- V. Directors professional development and continuing education.
- VI. Internal control.

The Company should conduct a performance evaluation of the Functional Committee, which should include the following dimensions and consider appropriate adjustments based on the Company's needs:

- I. Degree of participation in the Company's operations.
- II. The Functional Committee Responsibilities Awareness.
- III. Enhance the Functional Committee decision-making quality.
- IV. The Functional Committee composition and member selection.
- V. Internal Control.

The Company should submit the results of the performance evaluation to the Board of Directors and utilise them as a reference for the individual Director remuneration and nomination for reappointment.

#### Article 37-1 (Establishment of a Succession Plan for Management)

The Company should establish a succession plan for management, which will be regularly evaluated by the Board of Directors to ensure sustainable operations.

#### Article 37-2 (Establishment of Intellectual Property Management System)

The Board of Directors should evaluate and supervise the management direction and performance of the company's intellectual property in the following aspects to ensure that the company establishes an intellectual property management system through the "Plan, Do, Check, and Act" management cycle:

- I. Formulate intellectual property management policies, objectives, and systems related to operational strategies.
- II. Establish, implement, maintain, and manage the acquisition, protection, maintenance, and utilisation of intellectual property based on scale and type.
- III. Determine and provide sufficient resources necessary for the effective implementation and maintenance of the intellectual property management system.
- IV. Observe risks or opportunities related to intellectual property management both internally and externally, and take appropriate measures.
- V. Plan and implement a continuous improvement mechanism to ensure that the intellectual property management system operates and achieves results in line with the Company's expectations.

#### Article 38 (Shareholders or Independent Directors may request or the supervisor may notify the Board of Directors to suspend the execution of resolutions actions)

If the Board of Directors passes a resolution that violates the Statute or the Articles of Incorporation, and a shareholder who has held shares for more than one year or an Independent Director requests notification to the Board of Directors to cease the execution of such resolution, the members of the Board of Directors shall promptly and appropriately handle or cease the execution of the related resolution.

When a member of the Board discovers that the Company is at risk of significant damage, they shall act in accordance with the provisions of the preceding paragraph and report immediately to the Audit Committee or the members of the Audit Committee who are Independent Directors.

#### Article 39 (Liability Insurance for Directors)

The Company shall, during the term of office of the Director, take out liability insurance for the compensation responsibilities it is legally obligated to bear in respect of the execution of its business scope, in order to reduce and disperse the risk of significant losses to the Company and its shareholders caused by errors or omissions of the Director.

After the Company purchases or renews liability insurance for the Director, it shall report the important details of the liability insurance, including the insured amount, coverage, and insurance expense rate, at the next Director meeting.

#### Article 40 (Directors attending training courses)

Directors should continuously participate in continuing education courses covering topics related to corporate governance, such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility, organised by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, either upon their appointment or during their term, and shall require employees at all levels to enhance their professional and legal knowledge.

### Chapter 4 Powers of the Supervisor

Article 41 (The Supervisors shall oversee the execution of the Company's business and the diligence of the Directors and Managerial officers.)

The Supervisors shall oversee the execution of the Company's business and the diligence of the Directors and Managerial officers, and pay attention to the implementation of the Company's internal control system to mitigate financial crises and operational risks. Director acts on behalf of the Company in transactions, loans, or other legal acts for himself/herself or on behalf of others. If an Audit Committee is established, the members of the Audit Committee who are Independent Directors shall act as representatives of the Company.

### Chapter 5 Respect for Stakeholders' Interests

Article 42 (Listed companies shall maintain communication with stakeholders of the Company and protect equity)

The Company shall maintain open channels of communication with banks, other creditors, employees, consumers, suppliers, the community, and other stakeholders of the Company, and shall respect and uphold their legitimate equity. Additionally, a dedicated section for stakeholders shall be established on the Company's website. When the legitimate equity of stakeholders is infringed upon, the company shall handle the matter appropriately in accordance with the principle of good faith.

Article 43 (Sufficient information shall be provided to banks and other creditors)

Sufficient information should be provided to banks and other creditors to enable them to make judgments and decisions regarding the Company's operations and financial condition. When its legal equity is infringed upon, the Company shall respond positively and adopt a responsible attitude, providing creditors with appropriate avenues for compensation.

Article 44 (Listed Companies Shall Establish Communication Channels for Employees)

The Company shall establish communication channels for employees, encouraging them to communicate directly with management, Directors, or supervisors, to appropriately reflect employees' opinions on the Company's operations and financial condition, or on significant decisions involving employee interests.

#### Article 45 (Social Responsibilities of the Company)

While maintaining normal business development and maximising shareholder value, the Company should pay attention to consumerequity, community environmental protection, and public welfare issues, and emphasise the Company's social responsibility.

### Chapter 6 Enhancing Information Transparency

#### Section 1 Strengthen Information Disclosure

##### Article 46 (Information Disclosure and Online Reporting System)

Disclosure of information is an important responsibility of listed companies. The Company shall faithfully perform its obligations in accordance with relevant laws, regulations of the stock exchange or Taipei Exchange.

Publicly listed companies should announce and file their annual financial reports within two months after the end of the fiscal year, and should also announce and file their financial reports for the first, second, and third quarters, as well as the operational conditions for each month, ahead of the stipulated deadlines.

The Company shall establish an online reporting system for public information, designate a specific person responsible for the collection and disclosure of company information, and implement a spokesperson system to ensure that information that may affect the decisions of shareholders and stakeholders can be disclosed in a timely and fair manner.

##### Article 47 (Listed Companies shall appoint a spokesperson)

To enhance the accuracy and timeliness of the disclosure of material information, the Company shall appoint a spokesperson and deputy spokesperson who fully understand the Company's various financial and business matters, can coordinate relevant information from different departments, and are able to represent the Company externally.

The Company shall have at least one spokesperson, and any spokesperson shall be able to represent the spokesperson externally when the spokesperson is unable to perform his or her duties; however, the order of representation should be confirmed to avoid any confusion.

To implement the spokesperson system, listed companies shall clearly specify a unified speaking procedure and require management and employees to keep financial business secrets confidential, and shall not arbitrarily disseminate information.

In the event of a change in the spokesperson or the deputy spokesperson, information disclosure shall be carried out immediately.

##### Article 48 (Establishment of Corporate Governance Website)

The Company shall utilise the convenience of the Internet to establish a website that provides relevant financial business information and corporate governance information for the reference of shareholders and stakeholders, and it is advisable to provide an English version of financial, corporate governance, or other related information.

The aforementioned website shall have designated personnel responsible for its maintenance, and the listed information should be accurate and updated in real-time to avoid any potential misguidance.

#### Article 49 (Method of Convening Corporate Briefing)

The Company shall convene a corporate briefing in accordance with the regulations of the stock exchange or Taipei Exchange, and shall preserve the meeting by means of audio or video recording. The financial and business information of the corporate briefing shall be submitted to the Market Observation Post System in accordance with the regulations of the Stock Exchange or TPEx, and shall be made available for inquiry through the company website or other appropriate channels.

### Section 2 Corporate Governance Information Disclosure

#### Article 50 (Disclosure of Corporate Governance Information)

The Company shall establish a dedicated section on its website to disclose the following corporate governance-related information and shall continue to update it:

- I. Director meeting: If the Director meeting member resumes and their responsibilities, Director meeting member diversity policy and implementation status.
- II. Functional Committee: Such as the resumes of each Functional Committee member and their responsibilities.
- III. Corporate governance-related regulations: such as Articles of Incorporation, Director meeting procedures, and the Functional Committee organisational rules, among other corporate governance-related regulations.

Important information related to corporate governance: such as the information on the appointment of corporate governance officers.

### Chapter 7 Supplementary Provisions

#### Article 51 (Attention to Domestic and International Development)

The Company shall pay close attention to the developments in domestic and international corporate governance systems, and accordingly review and improve the corporate governance system established by the Company to enhance the effectiveness of corporate governance.

#### Article 52

This code was established on 29 September 2020.

First amendment on 11 May 2022 (approved by the Company's Board of Directors decision)

The second amendment was approved by the Company's Board of Directors on 21 March 2023.

# **【Appendices 3】 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 30, 2023)**

**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 30, 2023)

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 30, 2023)

**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:

<b>“Annual Net Income”</b>	means the audited annual net profit of the Company in respect of the applicable year.
<b>"Articles"</b>	means these articles of association of the Company, as originally adopted or as from time to time altered by Special Resolution.
<b>“Capital Reserve”</b>	means the income derived from the issuance of new shares at a premium, or from endowments received by the company.
<b>"Company"</b>	means the above named company.
<b>"Directors"</b>	means the directors for the time being of the Company (includes any and all Independent Director(s)).
<b>"Electronic Record"</b>	has the same meaning as in the Electronic Transactions Act (As Revised).

<b>"Electronic Transactions Act"</b>	means the Electronic Transactions Act (As Revised) of the Cayman Islands.
<b>"FSC"</b>	means the R.O.C. Financial Supervisory Commission
<b>"Independent Directors"</b>	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.
<b>"Legal Reserve"</b>	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.
<b>"Market Observation Post System"</b>	means the internet information reporting system designated by the FSC.
<b>"M&amp;A"</b>	means Merger, Acquisition and Spin-off.
<b>"Member"</b>	has the same meaning as in the Statute.
<b>"Memorandum"</b>	means the memorandum of association of the Company, as originally adopted or as from time to time altered by Special Resolution.
<b>"Merger"</b>	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.

<b>“Short-form Merger”</b>	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.
<b>"Ordinary Resolution"</b>	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.
<b>“Private Placement”</b>	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.
<b>"Register of Members"</b>	means the register of members maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
<b>"Registered Office"</b>	means the registered office for the time being of the Company.
<b>“R.O.C.”</b>	means the Republic of China.
<b>"Seal"</b>	means the common seal of the Company and includes every duplicate seal.
<b>"Share" and "Shares"</b>	means a share or shares in the Company and includes a fraction of a share.
<b>"Share Certificate" and “Share Certificates”</b>	means a certificate or certificates representing a Share or Shares.

<b>“Simple Majority”</b>	means more than one-half.
<b>“Share Exchange”</b>	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.
<b>“Short-form Share Exchange”</b>	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.
<b>"Solicitor"</b>	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.
<b>"Special Resolution"</b>	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.
<b>“Spin-off”</b>	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.
<b>“Short-form Spin-off”</b>	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.
<b>"Statute"</b>	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.

- (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 4】 Procedures for Lending Funds to Others**

Amendment Date: 29 June 2020

### Article 1 Purpose

In line with the actual operational needs of the Company, it is necessary to lend funds to other companies. To ensure that the Company's procedures for lending funds to others are adhered to, this operating procedure is hereby established.

### Article 2 Applicable Statute

This procedure is established in accordance with Article 36-1 of the Securities and Exchange Act of the Republic of China and the relevant provisions of the "Regulations Governing the Handling of Loans and Endorsements by Public Companies."

### Article 3 Lending Target of Funds

The Company's funds shall not be lent to shareholders or any other person except in the following circumstances:

1. Business dealings between companies or between firms.
2. In the event that there is a need for short-term financing between companies or between firms. The financing amount shall not exceed forty percent of the net asset value of the Company.

The short term referred to in the preceding paragraph means one year. However, if the Company's operating cycle is longer than one year, the operating cycle shall prevail.

The financing amount referred to in Article 1, Clause 2, is the cumulative balance of the Company's short-term funding.

The Company may engage in lending funds between foreign companies in which it holds one hundred percent of the voting shares, or foreign companies that hold one hundred percent of the voting shares in the Company may engage in lending funds to the Company, without being subject to the restrictions set forth in the preceding paragraph. However, the limits and terms of the loan shall still be handled in accordance with the provisions of Article 6 and Article 8 of this operating procedure.

### Article 4 Definition

1. The subsidiaries and parent company referred to in this procedure shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. The Company's financial statements are prepared in accordance with International Financial Reporting Standards. The net worth referred to in this procedure refers to the assets and liabilities as defined by the Company's financial reporting standards,

specifically the equity attributable to owners of parent.

3. The announcement declaration referred to in this procedure refers to the information declaration website designated by the Financial Supervisory Commission of the Republic of China.
4. The date referred to as the occurrence date in this procedure means the earlier of the transaction signing date, payment date, Director meeting resolution date, or any other date that sufficiently confirms the lending object and amount.

#### Article 5 Evaluation criteria for lending funds to others

In the case of fund lending between the Company and other companies or firms due to business transactions, it should be based on the principle that the business transaction has occurred. The amount lent should be equivalent to the higher of the amount of purchases or sales between the Company and the other party in the most recent fiscal year or the current year at the time of lending. Additionally, it should comply with the provisions regarding the total amount of fund lending and individual limits as stipulated in Article 6. Fund lending for the necessity of short-term financing shall be limited to the following circumstances:

1. The Company's associated enterprises require short-term financing due to business needs.
2. The Company or business entity requires short-term financing due to the need for purchasing materials or operational turnover.
3. Other funding lenders approved by the Company's Board of Directors.

#### Article 6 Total amount of funds lent and individual limits for counterparties

The total amount of funds lent by the company to others shall not exceed one hundred percent of the net worth as certified or reviewed in the company's most recent audited financial statements. The limits for each lending object are set as follows according to the reasons for the lending:

1. When companies or entities that have business dealings with our company engage in lending funds, the total amount shall not exceed forty percent of our company's net worth, and the individual loan amount shall not exceed the higher of the total purchase or sales amount between our company and the entity for the most recent year or the current year up to the time of lending. Additionally, it must not exceed ten percent of our company's latest net worth as verified by an independent auditor's report or review of financial statements.
2. For companies or businesses that require short-term financing, the total amount of funds lent shall not exceed forty percent of the net worth of this company, and the

individual loan amount shall not exceed thirty percent of the net worth as verified or reviewed in the most recent financial statements audited by a certified public accountant.

3. The Company holds one hundred percent of the voting shares in foreign companies directly and indirectly. Except where there are relevant legal provisions in the jurisdiction where such companies are established, the total amount of funds lent shall not exceed one hundred percent of the Company's net worth; the individual limit for each party shall also not exceed one hundred percent of the Company's net worth.
4. The aforementioned net asset value is based on the data contained in the most recent financial statements audited or reviewed by the accountant.

#### Article 7 Procedures for Fund Lending Operations

1. Procedures
  - (1) The Company shall prudently assess whether the provision of funds or short-term financing matters complies with the "Guidelines for Fund Loans and Endorsements of Public Companies" issued by the competent authorities of the Republic of China and the provisions of this operating procedure. After review by the responsible departments of the Company, the results of the investigation and assessment as stipulated in Article 2, Item 2 of this section shall be submitted to the Board of Directors for resolution before proceeding.
  - (2) The funding loans between the Company and its subsidiaries, or among the subsidiaries, shall be subject to the resolution of the Board of Directors as stipulated in the preceding paragraph. Directors may authorise the Chairman to lend to the same borrowing entity, within a specified amount and for a period not exceeding one year, in multiple disbursements or on a revolving basis. The specified amount must comply with the provisions of Article 6 and be approved by a Director resolution; furthermore, the authorised lending limit for funds from the Company or its subsidiaries to a single enterprise shall not exceed ten percent of the latest net asset value as reported in the financial statements of that company.
  - (3) During the Board discussions, the opinions of each Independent Director should be fully considered, and their explicit agreement or disagreement and reasons for opposition should be included in the Board records.
  - (4) The finance unit shall establish a register for matters related to fund lending. After the Board of Directors resolution on the funding loan, the details regarding the loan recipient, amount, date of approval by the Board of Directors, loan date, and matters that should be prudently assessed according to the review procedures shall be recorded in detail for reference.
  - (5) The finance department shall prepare a detailed statement of the funds lent and

cancelled each month to control tracking and handle public disclosures, and shall disclose information regarding fund lending in the financial reports and provide relevant information to the certified public accountant.

2. Review Procedures

- (1) The Company shall process the loan of funds only after the applying company or business has submitted relevant financial information and specified the purpose of the loan in writing.
- (2) After the Company processes the application, the responsible department shall investigate and assess the necessity and reasonableness of lending funds to others, the creditworthiness and risks associated with the borrower, whether there is a direct (or indirect) business relationship with the Company, the financial condition of the borrower's business, their solvency and creditworthiness, profitability, and the purpose of the loan. Additionally, consideration shall be given to the impact of the total amount of funds lent by the Company on its operational risks, financial condition, and the equity of the shareholders. A relevant written report shall be prepared and submitted to the Board of Directors for review.
- (3) When the Company engages in short-term financing matters, it shall obtain equivalent secured promissory notes and, if necessary, shall arrange for the mortgage of movable or immovable property. The value of the collateral shall be assessed quarterly to ensure it is commensurate with the funding loan balance, and additional collateral shall be provided if necessary.
- (4) The Company and its subsidiaries, in which the Company directly or indirectly holds one hundred percent of the voting Shares, may engage in financial transactions without being subject to the restrictions mentioned in the preceding paragraph.
- (5) The Company shall, in addition to handling matters in accordance with the provisions of this Article, strengthen risk assessment and establish lending limits for unsecured financing activities conducted by the same industry and related enterprises or group companies.

Article 8 Term and Interest Method of Fund Lending

1. Loan Term:

- (1) The term for each loan is based on one year; however, if the company's operating cycle exceeds one year, the operating cycle shall prevail.
- (2) The Company directly and indirectly holds one hundred percent of the voting shares of foreign companies for financing, with a term limited to ten years.

2. Interest Calculation Method:

The interest on funds lent shall not be lower than the average interest rate of the Company's short-term borrowings from financial institutions and shall be calculated monthly. In special circumstances, adjustments may be made as necessary upon approval by the Board of Directors.

3. The Company may not charge interest on overdue accounts receivable between the Company and its wholly-owned subsidiaries, which are directly and indirectly held with voting shares, that exceed the credit period.

Article 9 Subsequent control measures for the amount lent and procedures for handling overdue receivables:

1. After the loan disbursement, attention should be paid regularly to the financial,



business, and related credit status of the borrower and guarantor. If collateral has been provided, the changes in its collateral value should also be monitored. In the event of significant changes, the General Manager should be notified immediately, and appropriate actions should be taken as instructed.

2. When the borrower repays the loan upon maturity or before maturity, the interest payable should be calculated first, and after repaying the principal together, the promissory note loan can be cancelled and returned to the borrower or the mortgage right can be discharged.
3. The borrower shall repay the principal and interest in full upon the maturity of the loan. If repayment cannot be made upon maturity and an extension is required, a request must be submitted in advance and approved by the Board of Directors; otherwise, the Company may dispose of and seek compensation for the collateral or guarantor provided in accordance with the law.
4. Due to changes in circumstances, if the lending counterpart does not meet the regulations or if the balance exceeds limits, an improvement plan should be established, and the relevant improvement plan should be submitted to the Audit Committee. The improvement plan should also be sent to the Independent Directors, and improvements should be completed according to the planned schedule.

#### Article 10 Internal Audit

Internal auditors shall audit the procedures and implementation of funds lent to others at least quarterly, and create written records. If any significant violations are discovered, they shall immediately notify the Audit Committee in writing and also notify the Independent Directors in writing.

#### Article 11 Control procedures for funding loans to subsidiaries

If the subsidiaries of the Company intend to engage in lending funds to others, they shall establish procedures for lending funds to others in accordance with this operating procedure, which shall be approved by the Company's Chairman and submitted to the Company's Board of Directors for record-keeping before proceeding.

#### Article 12 Announcement of Declaration

1. The Company shall announce the funding loans and balance of the Company and its subsidiaries for the previous month by the tenth day of each month.
2. If the Company's funding loans meet any of the following criteria, they shall be announced and reported within two days from the date of occurrence of the facts:
  - (1) The Company and its subsidiaries have loaned funds to others, with a balance exceeding twenty percent of the Company's most recent financial statements' net

worth.

- (2) The Company and its subsidiaries have lent funds to a single enterprise, with a balance exceeding 10% of the net worth reported in the Company's most recent financial statements.
- (3) The Company or its subsidiaries shall provide additional funding loans amounting to NTD ten million or more, which exceeds 2% of the net
3. For subsidiaries of the Company that are not domestic public companies, any matters that should be disclosed and reported as per the preceding item three shall be handled by the Company.

#### Article 13 Penalties

1. When the managerial officers and responsible personnel of the Company violate this operating procedure, they shall be reported for evaluation in accordance with the Company's work rules and punished according to the severity of the circumstances.
2. If the person in charge of the Company violates the provisions of Article 3, they shall be jointly liable for the return obligation with the borrower; if the Company suffers any damages, they shall also be liable for compensation for such damages.

#### Article 14 Other matters

1. The Company should assess the situation of fund lending and make adequate provisions for bad debts, and appropriately disclose relevant information in the financial reports, as well as provide relevant data to the independent auditor to perform necessary audit procedures.
2. Matters not covered by this procedure or changes in the law thereafter shall be handled in accordance with the current valid laws and regulations of the Republic of China and the relevant rules of the Company.

#### Article 15 Implementation and Amendments

1. This procedure shall be implemented after being approved by the Board of Directors and submitted for the shareholders' meeting's consent. Since the establishment of the Audit Committee of the Company, any amendments to this procedure shall be approved by the Audit Committee and passed by a resolution of the Board of Directors, and shall be implemented after being submitted to the shareholders' meeting for approval. If any Director expresses dissent with a record or written statement, the Company shall forward such dissent to the Audit Committee and submit it for discussion at the shareholders' meeting.
2. In accordance with the provisions of the preceding paragraph, when the Company submits this procedure to the Board of Directors for discussion, it shall fully consider the opinions of each Independent Director. If any Independent Director has dissenting

or reserved opinions, they shall be recorded in the minutes of the Board of Directors.

3. If the first item is not approved by more than half of all members of the Audit Committee, it may be approved by more than two-thirds of all Directors, and it shall be recorded in the minutes of the Board of Directors meeting that the Audit Committee has made a resolution.
4. The members of the Audit Committee referred to in the preceding paragraph and all Directors referred to in the preceding paragraph shall be calculated based on those actually in office.
5. This procedure was implemented after being approved by the Shareholders Meeting on 20 March 2020.

First amendment on 29 June 2020.

## 【Appendices 5】 Shareholdings of All Directors

Date of Transfer Cessation: May 02, 2025

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	4,197,742	
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		4,197,742	

Note:

1. The paid-in capital of the Company is NT\$ 346,058,830, and the number of issued shares is 34,605,883.
2. All directors of the Company should legally hold 3,600,000 shares and held 4,197,742 shares as of May 02, 2025.