

Stock Code: 1626



**AIRMATE (CAYMAN) INTERNATIONAL CO
LIMITED**

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Means of convening the Shareholders' Meeting: physical Shareholders' Meeting

Date of Shareholders' Meeting: June 18, 2024 (Tues.) 9 am

Address of Shareholders' Meeting: 4F, No. 2-1, Section 1, Jinan Rd, Taipei
(National Taiwan University Alumni Hall) Conference room

Notice to Readers:

For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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**AIRMATE (CAYMAN) INTERNATIONAL CO
LIMITED**

2024 Annual Shareholders' Meeting Procedure

- I. Call Meeting to Order
- II. Chairperson's remarks
- III. Report Items
- IV. Recognized
- V. Discussion
- VI. Election Matters
- VII. Other Matters
- VIII. Extempore motion
- IX. Adjournment

AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED

2024 Annual Shareholders' Meeting Agenda

Time: June 18, 2024 (Tues.) 9 am

Address: 4F, No. 2-1, Section 1, Jinan Rd, Taipei (National Taiwan University Alumni Hall) Conference room

- I. Call Meeting to Order
- II. Chairperson's remarks
- III. Report Items
 - (I) 2023 Business Report
 - (II) Audit Committee's Review Report on the 2023 Business Report and Financial Statements
 - (III) Report on the Distribution of Remuneration for Employees and Directors of 2023
 - (IV) Report on the Distribution of Cash Dividends for the Fiscal Year 2023
 - (V) 'Board Meeting Rules and Regulations' Amendment Proposal
- IV. Recognized
 - (I) Recognition of the Company's 2023 Annual Business Report and Consolidated Financial Report
 - (II) The Company's 2023 Profit Distribution Plan
- V. Discussion
'Shareholders Meetings Rules and Regulations' Amendment Proposal
- VI. Election Matters
Election of all Directors of the Company
- VII. Other Matters
Proposal to release the newly elected directors from non-competition restrictions
- VIII. Extempore motion
- IX. Adjournment

Report Items

I. 2023 Annual Business Report, submitted for approval.

Description: 2023 Business Report, please refer to pages 11 ~ 20 of this Handbook (Attachment I).

II. Audit Committee's Review Report on the 2023 Financial Statements, submitted for approval.

Description: Audit Committee's 2020 Review Report (Please refer to page 21 of this Handbook (Attachment II)).

III. Report on the Company's 2023 Distribution Status of the employees' and directors' remuneration, submitted for approval.

Description:

1. In accordance with Article 14.5 of the Articles of Association, where there is profit in the year of the Company, 1% ~10% of the profit is to be allocated as remuneration to employees, and no more than 3% allocated as remuneration to directors.
2. Allocation of Employee Compensation and Director Remuneration in accordance with the Company's Articles of Association for the Fiscal Year 2023:

Unit: NT\$

Item	Amount	Ratio in profit
Employees' Compensations	2,091,986	4.92%
Directors' Remuneration	627,595	1.48%
Total	2,719,581	6.40%

Note: The remuneration to employees and Directors were consistent with the estimated expense in 2023.

3. Both the employee remuneration and director remuneration mentioned above are paid in cash.

IV. Report on the distribution of cash dividends for the fiscal year 2023 submitted for recognition.

Description:

1. According to Article 14.5 of the company's bylaws, the Board of Directors is authorized to distribute all or a portion of the dividends and profits through cash payments and report to the shareholders' meeting.
2. Report on the Distribution of Cash Dividends for the Fiscal Year 2023:

Unit: NT\$

Date of Board Resolution	Cash Dividend per Share (NT\$)	Total Amount of Dividend Distribution (NT\$)	Date of Issue
2024/05/08	0.3	45,846,516	To be announced separately

V. Our Company proposes to amend the 'Board Meeting Rules and Regulations' and seeks recognition.

Description: This revision of the 'Board Meeting Procedures' is aimed at improving corporate governance and ensuring the completeness of board meeting procedures, as stated in the Financial Supervisory Commission's letter No. 1120383996 issued on January 11, 2024. Please refer to page 34 (Attachment V) of this Manual.

Recognized

Case 1

Proposed by the Board of Directors

Proposal: Recognition of the Company's 2023 Business Report and Consolidated Financial Statements.

Description:

- I. The Company's consolidated financial report for the year 2023 has been audited by Mr. Guohua Wang and Mr. Jianzhi Wu, accountants at PwC Taiwan. It has been approved by the 15th Audit Committee and the 15th Board of Directors of the fourth term.
- II. The attached are 2023 Business Report (please refer to pages 11 ~ 20 of this Handbook (Attachment I)), CPA Audit Report and Consolidated Financial Statement (please refer to pages 22 ~ 32 of this Handbook (Attachment III)) for recognition.

Resolution:

Case 2

Proposed by the Board of Directors

Proposal: Recognition of the 2023 Earnings Distributions.

Description:

- I. The beginning undistributed earnings for our company at the start of the period totaled NT\$267,533,643. After taking into account the re-measurement amount of the defined benefit plan, which is NT\$137,663, and the net profit after tax for 2023, which is NT\$26,578,653, the distributed earnings amount to NT\$218,650,843. This calculation includes the deduction of the statutory surplus reserve of 10% (NT\$2,671,632) and the special surplus reserve for the conversion of financial statements of overseas operating entities (NT\$72,927,484).
- II. The company intends to distribute a cash dividend of NT\$45,846,516 to shareholders, at a rate of NT\$0.3 per share. The cash dividend will be rounded down to the nearest dollar, and any fractional dividends will be included in the company's other income.
- III. The Chairman has the discretion to adjust the aforementioned matters if there is a change in the number of shares available for distribution by the Company, which affects the number of shares outstanding and results in a change in the dividend distribution ratio to shareholders. The Chairman is also authorized to establish a separate ex-dividend date, payment date, and other related matters.
- IV. Please refer to page 33 of the attached manual for the 2023 Annual Profit Distribution Table (Attachment IV).

Resolution:

Discussion

Case 1

Proposed by the Board of Directors

Proposal: The Amendments to the 'Rules of Procedure of the Shareholders' Meeting' are submitted for discussion.

Description:

- I. In order to comply with the Sustainable Development Action Plan for Listed and OTC Companies issued by the Financial Supervisory Commission on March 28, 2023, we propose revising certain articles of the Shareholders' Meeting Rules.
- II. Please consult page 36 ~ 37 (Attachment VI) of this manual for the updated comparison table.
- III. Submit for resolution.

Resolution:

Election Matters

Case 1

Proposed by the Board of Directors

Proposal: Election of all Directors of the Company.

Description:

- I. In accordance with the provisions of our Company's articles of incorporation, the Board of Directors, consisting of 9 directors (including 4 independent directors), will be re-elected at the shareholders' meeting on June 18, 2024. The term of office of the new Directors shall be three years, from June 18, 2024 to June 17, 2027.
- II. The list of director candidates was reviewed and approved by the Company's Board of Directors on March 15, 2024. The relevant information is provided below:

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
1	51	Shih Jui-Pin	D12130XXXX	Department of Electronics, Affiliated College of Central University, Aichi Prefecture, Japan	Employee of the Commodity Department of YUASA PRIMUS CO., LTD	Directors	None	Not applicable
2	11	Cheng Li-Ping	A10104XXXX	Department of Statistics, Tamkang University	Deputy General Manager of Tung Fu Electric Co., Ltd. Chairman of Board of Directors at Airmate (Cayman) International Co. Limited	Directors	None	Not applicable
3	62	Tsai Cheng-Fu	D10139XXXX	Doctor of Electronic Engineering, Department of Electronic Engineering, National Kaohsiung University of Science and Technology (State-Owned Enterprises Group)	Person in Charge of Zhanwei Limited (Hong Kong)	Directors	None	Not applicable
4	50	Shih Jui-Lin	D12141XXXX	Department of Business Administration, Mount Ida University, USA	Sales Department Specialist at Data Systems Consulting Co., Ltd. and Microtech Co., Ltd.	Directors	None	Not applicable
5	24	Huang Ching-Shu	R12201XXXX	Zuozhen Junior High School	Chairman of Hern Juei Co., Ltd., Chairman of Heng Ta Mold Enterprise Co., Ltd., Chairman of Ecotime Optoelectronic Technology Co., Ltd.	Directors	None	Not applicable
6	None	Lin Chih-Lung	D12082XXXX	Research Institute of Accounting, National Cheng Kung University	CPA Partner at Ever Trust Accounting Firm, Lecturer at the Department of Accounting, National	Independent director	None	No

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
					Cheng Kung University, Director of Nan Guang Chemical Pharmaceutical Co., Ltd., Independent Director of Jiahe Industrial Co., Ltd., Legal Representative and Director of Zhibao Optoelectronics Co., Ltd.			
7	None	Hsu Shih-Wen	D12084XXXX	Department of Law, Fu Jen Catholic University	Director of the Tainan Bar Association, Director of the Puli Christian Hospital Foundation, Executive Director, Director of the Tainan Private Guanghua Senior High School, Consultant of the Tainan City Government Police Bureau Lawyer at Hsu, Anderson & Lee Law Firm and Inspector at Private Kuang Hua Senior High School in Tainan City.	Independent director	None	No
8	None	Lin Hui-fen	A22183XXXX	Doctor of Research Institute of Accounting, National Cheng Kung University	Certified Public Accountant at Weyong International CPAs & Co. Independent Director, Member of the Audit and Compensation Committees, Otsuka Information Technology Co., Ltd. Independent Director, Member of the Audit and Compensation Committees, Lin Horn Technology Co., Ltd. Independent Director, Member of the Audit and Compensation Committees, Joy Industrial Co., Ltd.	Independent director	None	No
9	None	Yen Min-Jen	S12262XXXX	Visiting Professor from Cornell University in the United States Postdoctoral Research at Northwestern University Doctor of Electronic	Professor at National Chengchi University Director of the Center for Digital Empowerment and Sustainable Development at National Chengchi University	Independent director	None	No

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
				Engineering, Department of Electronic Engineering, National Kaohsiung University of Science and Technology	The National Science Council has commissioned the Digital Empowerment and ESG Industry-Academia Alliance for Sustainable Development. United Nations Development Program (UNDP) Consultant for Technology and Economic Policy Academic Chief Expert Consultant at the Asian Productivity Organization (APO) in Japan Mr. Zhang is a Taiwanese business person affiliated with the Mainland Affairs Council. Director of the Industrial Park Assistance Program, Ministry of Economic Affairs Vice President of Research and Development, Chinese Culture University			

III. Submit for Election.

Election results:

Other Matters

Proposed by the Board of Directors

Proposal: To release the newly elected Directors from the non-competition restrictions, please resolve.

Description:

- I. According to Article 209 of the Company Act of the Republic of China, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. If the Directors of the Company invest in or operate other companies with the same or similar business scope as the Company and act as Directors, they shall propose to the Shareholders' Meeting to remove the non-competition restrictions on the new Directors and their legal persons without prejudice to the interests of the Company.
- III. This proposal was passed by the resolution of the Board of Directors on March 15, 2024, and was submitted to the Shareholders' Meeting to agree to the lifting of the non-competition restrictions on newly elected Directors in accordance with the procedures set out in the Articles of Incorporation of the Company. For details on the removal of non-competition restrictions, please refer to page 38 of this Handbook (Details in Attachment VII).
- IV. Submit for resolution.

Resolution:

Extempore motion

Adjournment

I. Business Report

I. Introduction

The global economy in 2023 continues to face significant constraints due to geopolitical conflicts, inflation, and inadequate physical demand. Additionally, major economic regions are witnessing an uneven recovery in the post-pandemic era, resulting in sluggish consumer spending. The external factors affecting our company can be categorized into two main areas. Firstly, the high inflation has resulted in an expenditure squeeze, which has had a significant impact on the main export markets of Japan and South Korea. As a result, there has been a decline in the overall consumer electronics market. Secondly, the domestic market in mainland China is greatly influenced by uncertain economic prospects, conservative consumer behavior, and excess supply. These factors present various challenges and uncertainties for our company's operations in 2023. However, the entire management team has been working tirelessly to overcome difficulties and improve operational quality. The revenue impact is relatively minor compared to the industry, and the overall operational situation has achieved profitable results. Based on this, the company conducted a review of its performance in 2023. This review included evaluating the product direction in the Chinese market, ensuring self-control of online channel distribution, optimizing and allocating manufacturing bases, implementing cost reduction and efficiency improvement measures, acquiring new foreign customers, and strategically expanding diversified sales channels for end consumers. The company's long-term goal is to prioritize the development of the smart home appliance ecosystem and various related products. We are dedicated to upholding product quality, ensuring stable distribution channels, rebuilding our brand image, and creating sustainable business value by staying true to our original vision.

In 2023, we will focus on two key areas. Firstly, we will further enhance operational efficiency and make flexible adjustments to our manufacturing structure. Secondly, we will consolidate company resources to strengthen the quality and marketing of our products. In addition to promoting the cost-effectiveness and value of our products, we are also redefining our brand and building a strong relationship with the new generation of consumers. Our focus is on introducing home appliances that align with the current consumer landscape and cater to the demand for a high-quality lifestyle. Our objective is to safeguard and enhance the value of our products while solidifying our brand position. We are dedicated to the ongoing

implementation of these strategies. In the tumultuous future landscape, by 2024, it will feel like standing on the precipice, endeavoring to attain favorable operational performance.

The operational overview for the year 2023 and the future outlook for the year 2024 of our company are as follows:

The Company, as the ultimate parent company of the listed group, is primarily responsible for investment holding. It has production bases in Shenzhen, Guangdong Province and Jiujiang, Jiangxi Province, China. In fiscal year 2023, the company generated consolidated revenue of NT\$8.402billion, with a consolidated net profit after tax of NT\$0.27billion and consolidated earnings per share after tax of NT\$0.17. Looking ahead to 2024, our company is dedicated to maintaining stable and prudent management in the face of various macroeconomic and operational challenges. We will focus on improving the operational management and overall synergies of our subsidiaries, strengthening our existing partnerships with high-quality customers, actively exploring new markets and customers in the southern region, and enhancing the value-added services throughout the customer journey. Our goal is to become a high-quality enterprise that embodies our core values of integrity and diligence, and to evolve into a sustainable ESG company.

In light of the company's future development, despite the economic challenges and varying consumer preferences in mainland China, the market continues to prioritize product quality. We anticipate that the company's sales will stabilize and gradually improve, entering a favorable phase. At the same time, we are actively seeking opportunities to enter the market in response to the diverse changes in consumer patterns and demands. Despite the intense competition in the small household appliance market in mainland China and the uncertain situation in the export market caused by inflation and global demand, our company and all subsidiary companies within the group will promptly adapt to market changes. Our primary focus will be on nurturing our existing customer base and expanding our customer cooperation. Additionally, we will explore avenues to attract new high-quality customers. Since its listing, the management team and all employees have been committed to operating diligently, demonstrating a pragmatic attitude, and persisting in the development of core business operations. Our goal is to provide exceptional products that meet market demand in the small home appliance industry, creating a win-win situation for shareholders and company employees, and fulfilling the high expectations of our shareholders. The road ahead is long and filled with challenges, but we are fully committed to the success of our company. We consistently adapt our business strategies to minimize costs and enhance efficiency. The steady cash flow generated by our real estate assets contributes value to the company. Taking

all these factors into consideration, we are confident that we will achieve fruitful results in the future. We would like to express our appreciation to our shareholders for their enduring support and genuine dedication.

II. 2023 Business Results

(I) 2023 Business Plan and Implementation Results

Unit: NT\$ thousand

Item	2023 Audit	2022 Audit	Growth Rate
Consolidated operating revenue	8,401,753	9,220,863	-8.88%
Consolidated operating profit	1,827,717	1,444,720	26.51%
Consolidated net profit	-12,336	-242,971	94.92%
Consolidated net non-operating income (expense)	52,078	781,677	-93.34%
Consolidated Income Before Tax	39,742	538,706	-92.62%
Income tax expense	-13,163	-65,509	79.91%
Consolidated total profit and loss	26,579	473,197	-94.38%

(II) Financial revenue and profitability

Year Item		2023	2022
Financial structure	Liabilities to assets ratio (%)	61.98	63.57
Liquidity analysis	Current ratio (%)	106.09	103.35
	Quick ratio (%)	59.48	61.88
Profitability	Return on assets (%)	0.67	5.31
	Return on shareholders' equity (%)	0.84	15.85
	Net profit margin (%)	0.32	5.13
	Earnings per share (NT\$)	0.17	3.25

(III) Yearly research and new technology development status

1. Yearly research and new technology development results

- (1) Development of PTC Electric Heater with Large Air Volume
- (2) Design and development of inverter window air conditioner
- (3) Clothes drying and heating integrated electric heater
- (4) Superconducting cooling and heating loop fan
- (5) Light Touch
- (6) Inner Winding Motor Development
- (7) Development of the Flame Kick Series Electric Heaters
- (8) Development of Flame (Colorful) Humidifier
- (9) Development of a Gasification Humidifier for Heating
- (10) Development of the Electric Rice Cooker
- (11) Development of a Small Portable Air Conditioner (Compressor)
- (12) Development of a Small Split-Type Portable Air Conditioner (Compressor)
- (13) Development of Refrigeration Chip Beer Machine
- (14) Product Development for Warm Vegetable Board
- (15) Development of the Intelligent Sugar Control Cup
- (16) Development of Intelligent Camera Products
- (17) Development of Solar Cell Applications

2. Future research and technology development plans

(1) Short-term business development plans

- A. Development and research of wireless steam cleaning machines, floor scrubbers, personal health and care products, and pet product series.
- B. There is a continuous increase in research on the application of semiconductor cooling chips, radar, batteries, and refrigeration chips in small refrigerators.
- C. Designing and developing a high-humidity output humidifier that produces 2.5liters per hour.
- D. Research and development of a new type of electric heater called Flame Mountain, featuring a foot switch and a closable vent, as well as a graphene heating element.

- E. Continue to increase the development and application research of pin structure and high power internal winding motors.
 - F. New technologies, such as offline and online voice and video intelligent recognition, motion monitoring, and gesture recognition, are being consistently applied to a wide range of products.
 - G. Hydroxide ion air-cleaning ceiling fan development.
 - H. Development of compressed air compressor products.
 - I. Development and research of lightweight, portable heating products and household appliances.
 - J. Development and Research of Composite Multifunctional Combination Products
 - K. Development and Research of Solar-Powered Fans.
- (2) Long-term business development plans
- A. Development of a series of home appliances for personal health, care and cleaning (disinfection, sterilization).
 - B. Development of medical product series.
 - C. Research on the application of sensors and voice control in smart home appliances.
 - D. Research on various types of compound air handlers, including cooling, heating, and humidification.
 - E. Development of DIY fresh air products.
 - F. Development and application research of high cost-effective external rotor DC motors.
 - G. Research and Development of Pet Products and Applications.
 - H. Development of compressed air compressor products

III. Operating Plan Overview of the Year

1. To strengthen the development of the Emet brand and establish it as a competitive and core-value small home appliance manufacturer in mainland China, both domestically and internationally. Our goal is to improve the quality and quantity of our products and enhance collaboration between the company, suppliers, and customers, creating a win-win situation for all parties involved.

2. To drive the digitalization and modularization of management across different companies and group enterprises, it is crucial to enhance the company's product capabilities and consistently explore new products, customers, and markets. Additionally, improving production optimization technology, investing in efficient production lines, and effectively managing costs are essential to ensure a steady stream of operating profits.
3. Emphasize labor-management harmony, maximize profits for employees and shareholders, and fulfill corporate social responsibility.

(II) Sales Volume Forecast and the Basis

The main markets of our subsidiary companies are located in mainland China, Northeast Asia, Southeast Asia, and Europe and America. Therefore, the projected annual sales quantity is primarily based on local industry statistics, feedback from major customers, and assessments of future market supply and demand. In general, we expect the sales volume and amount of the small home appliance industry to stabilize and experience moderate growth compared to 2023.

(III) Significant Sales and Production Policies

1. Export

- The sales of products in Japan, South Korea, Europe and North America have maintained steady growth in the past two quarters. We will actively develop customers in different industries, assist customers to develop new products and continue to cultivate the Southeast Asian market.
- To ensure customer and technical team alignment, we will intensify our investment in the development of flagship products. This includes increasing the number of product developments, enhancing our patent portfolio, and offering patent licensing to customers. These efforts will help us compete for orders and maintain a balanced market share. Additionally, we will focus on the development and sales of non-seasonal products to overcome limitations in sales areas affected by seasonal fluctuations. By doing so, we aim to increase our order volume and reap the associated benefits.

- We comprehensively enhance the export business services including customer service platform channel integration, IDM services, multiple sales with one machine, R&D awards, patent sharing and online sales, etc., to improve service quality.
- To strengthen our sales channel for overseas customers, we need to consolidate our existing foundation. Additionally, we should establish more cooperation channels on cross-border e-commerce platforms to expand our international market presence. Furthermore, we must continue to promote our own brand products on the international stage.

2. Offline operation in China

- **Team Integration:** Further integrate the team to enhance efficiency and effectively manage the market. Improve the brand's service capabilities to distribution partners and consumers, empowering distributors in the new retail era.
- **Product Precision Focus:** Our focus is on popular products, optimizing costs, aligning with the market, ensuring sales efficiency, and enhancing the integration of production and sales operations. In addition, focus on the dealer and factory inventory turnover rate and amount, reduce the seasonal inventories of dealers and factories, and finally achieve order-oriented production.
- **Product Upgrade:** Despite the current economic downturn in the market, we remain committed to launching a high-end product series that reflects the professionalism of our brand, positions us as industry leaders, and strengthens our brand momentum.
- **Continued cultivation of channels:** The range of channel outlets has continued to grow, with the ongoing construction of over 2,000 Airmate county/city/town image stores. In addition, enhance the consumer experience in 3C and supermarket systems, cooperate with the image investment of malls and the training of sales ability of purchasing guides, and realize the growth in the sales of Airmate's single stores and the proportion of sales of high-end products.

- Embrace new channels: Actively embrace new sales channels, offline and online wholesale, social media group buying platforms, JD specialty stores and Tmall Premium, actively expand new sales channels, increase offline visibility, and achieve greater brand exposure and output.
3. Online operation in China
- Multi-platform benign development: For different online consumer groups and sales models on Taobao Tmall, JD Mall, Suning, Vipshop, and live broadcast, we have developed marketable and differentiated product combinations suitable for each platform to meet the needs of different consumers. Emphasize the development of other new sales channels such as Pinduoduo, Yunji, and NetEase Yeation. Establish vertical integration of sales and production to improve brand share across the network and channels. In addition, we are involved in the new type of sales of the secondary e-commerce channel. We target the market through emerging focus private domain traffic channels such as short-form video e-commerce, content e-commerce, information flow e-commerce, etc.
 - Taking advantage of the high efficiency and high focus features of online platforms, focus on the markets of clothes dryers, dehumidifiers, ventilation fans, bath barons, foot tubs, steam mops and other niche small home appliances other than electric fans and heaters to increase visibility for the brand's higher sustainable performance growth target.
 - The main e-commerce platform stores have transitioned from a distribution model to a direct operation model in the multi-channel store operation model. Over the past two years, the direct operation model has gradually become a channel for brands to directly reach users. This enables direct user feedback, more timely and effective communication, meeting user needs, and improving the pre- and post-sales service experience, thereby enhancing competitiveness. Simultaneously, efforts are being made to maintain existing online selected distribution customer relationships, allowing products to gain a larger market share outside of mainstream stores.

- **Marketing Transformation:** Fully embrace mobile Internet marketing, use emerging media, deeply interact with young consumers through social media such as live streaming, short video, Weibo, WeChat official accounts, and Xiaohongshu, to achieve a younger brand consumer base and enhance Airmate's visibility and reputation among various consumer groups, and improve the brand's influence.
- **Visual system:** Comprehensively improve the visual system: In the era of online marketing, content capabilities are becoming one of the core capabilities of the enterprise. We have established a visual center to unify the visual content system specifications of the brand, export high-quality marketing content, better disseminate the Airmate brand, and improve brand power.
- **Introducing Outdoor Appliances:** Airmate is launching a range of outdoor appliances, including camping air conditioners, folding fans, multifunctional water cups, and other products. Based on the development trends of the Chinese market, we aim to combine outdoor scenes with home appliance supply to create a more relaxed and comfortable outdoor living experience. We anticipate significant demand and market growth in the outdoor appliance market in China.

IV. The Company's future development strategy

Our Company and its subsidiaries will continue to prioritize the development of our core business by creating competitive high-margin products and continuously improving our manufacturing processes. Additionally, we will invest in research and development of new technologies to foster mutually beneficial cooperation with our stakeholders. We are fully committed to maintaining brand strength and customer loyalty while actively responding to, discovering, and meeting the deep-seated needs of our end customers in the market. By promptly adapting to market changes, we gain recognition and orders from new markets, new customers, and new products, solidifying our position as a renowned enterprise in the small home appliance market.

V. The effect of external competition, the legal environment, and the overall business environment

(I) Influence of external competition environment

The small home appliance industry operates in a highly competitive environment. Our company and its subsidiaries will continue to utilize our strengths to adapt to the market and improve product differentiation. We will efficiently manage costs and inventory to minimize the impact of external competition.

(II) Influence of legal environment

The Company and affiliated companies have not undergone or faced any loss from country or region where there is influence of legal environment changes in recent years.

(III) Influence of overall operation environment

Currently, our company's subsidiary, which is involved in production and operations, is situated in mainland China. The local small home appliance industry faces intense market competition, and the global economic situation remains uncertain. However, with China's ongoing efforts to strengthen its economy, along with the continuous advancement of new technologies and consumers' demand for high-quality products, the overall outlook remains positive.

Wishing you prosperity and long-lasting success.

Airmate (Cayman) International Co Limited

Chairman of Board: Shih Jui Pin

President: Shih Jui Pin

Account Manager: Ho Mei-Hsiu

Audit Report by Audit Committee

The Audit Committee has approved and the Board of Directors has approved the consolidated financial statements of the Group for the year 2023. Following that, the Board of Directors has appointed PwC as the auditor to conduct the audit and issue an unqualified audit report.

The Audit Committee has the responsibility for overseeing the Company's financial reporting procedures.

The Group's certified public accountant has audited the consolidated financial statements for the year 2023 and has communicated the following matters to the Audit Committee:

1. There was no significant discovery concerning the audit by the CPAs within the planned audit scope and time period.
2. The CPAs have provided the Audit Committee a declaration of independence where the personnel from the accounting firm are in compliance with the independence norms of CPAs code of professional ethics. Relations and other items that may be considered to affect the independence of the CPAs have not been found.
3. The CPAs have communicated with the Audit Committee regarding the key audit matters listed in the audit report.

The Audit Committee agrees and the Board of Directors resolves that the Group's consolidated financial statements for the year 2023, in compliance with applicable laws and regulations, are hereby reported in accordance with Article 14-5 of the Securities and Exchange Act.

Audit Committee Convener: Qi Leiping
March 15, 2024

Attachment III CPA Audit Report and Consolidated Financial Statement

Independent Auditors' Report

(24)CSBZNo. 23003990

To Airmate (Cayman) International Co Limited:

Opinion

We have audited the Consolidated Balance Sheets of Airmate (Cayman) International Co Limited and its subsidiaries (hereinafter referred to as "Airmate Group") as of December 31, 2023 and 2022, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Material Accounting Policies) for the annual period from January 1 to December 31, 2023 and 2022.

In the opinion of the Accountants, the consolidated financial statements are prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations approved and issued by the Financial Supervisory Commission in force, which are sufficient to present the consolidated financial position of the Emmet Group as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated statements of cash flow as of January 1, 2023 and December 31, 2022.

Basis of Audit Opinion

The Certified Public Accountant has carried out the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Our firm is independent of the Airmate (Cayman) International Co Limited and Subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Certified Public Accountant believes that sufficient and appropriate evidences for the audit have been obtained as the basis for expressing opinion.

Key Audit Matters

Key audit matters refer to those matters that, in the professional judgment of the Certified Public Accountant, are of the utmost significance for the audit of the 2023 Consolidated Financial Statements of the Airmate Group. These matters have been addressed in the process of our audit on the overall Consolidated Financial Statements, and in forming our opinion thereon. Hence, we will not provide a separate opinion on these matters.

The Key Audit Matters of the 2023 Consolidated Financial Statements of the Airmate Group are as follows:

Impairment assessment of accounts receivable

Description of the Key Audit Matter

For details on the accounting policy for accounts receivable, please refer to Note 4 (10) of the Consolidated Financial Statements. For details on the accounting estimates for impairment losses on accounts receivable and the explanation on the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements. For details on the information on the credit risk of accounts receivable, please refer to Note 12 (2) of the Consolidated Financial Statements.

The Airmate Group makes provision for expected credit losses in accordance with the established policy on accounts receivable allowance for doubtful debts. The valuation method includes the customer's credit risk and historical credit loss experience and a reasonable estimate of the customer's future economic conditions. Since the aforementioned valuation method involves the subjective judgment of the Management, it has a significant impact on the measurement of expected credit losses from accounts receivable. Therefore, the Certified Public Accountant has included the impairment assessment of accounts receivable as one of the Key Audit Matters for the year.

In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the operation and sales counterparties of the Airmate Group, assess the reasonableness of the policies and procedures on the provision for losses on accounts receivable, including the identification of individual major customers, the differentiation of similar credit risk groups, and objective evidence in the determination of expected credit losses.
2. Understand the design and the effectiveness of implementation of internal control procedures for the credit management of the Airmate Group and the assessment of expected credit losses during the subsistence period of the creditor's rights.
3. Evaluate the reasonableness of Management's assessment of the amounts of individually recognized material expected credit losses and expected credit losses based on similar credit risk groups.
4. Test the collection of accounts receivable after the execution period for expected credit losses that occur only in response to the time value of currency to assess the reasonableness of expected credit losses.

Assessment of allowance for inventory valuation loss

Description of the Key Audit Matter

For details on the accounting policy for inventory valuation, please refer to Note 4 (14) of the Consolidated Financial Statements; for the accounting estimates for inventory valuation and the explanation of the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements; and for the explanation of important accounting items for inventory, please refer to Note 6, (7) of the Consolidated Financial Statements.

The Airmate Group measures the value of the inventory by the lower of cost and net realizable value. Due to the large number and type of inventory items in the Airmate Group and the fact that the net realizable value used in the individual recognition of obsolescence or damage and its valuation often involves subjective judgment, hence, there is uncertainty in the estimation. Therefore, the Certified Public Accountant has identified the assessment of allowance for inventory valuation loss as one of the key audit matters for the current year.

In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the nature of the operations and industry of the Aimate Group, assess the reasonableness of the policies and procedures adopted for the allowance for inventory valuation loss, including the degree of inventory depreciation, the reasonableness of the assessment of obsolete and outdated inventory items, and the consistency of accounting estimation methods.
2. Verify that the information in the statement of inventory valuation loss used by the Aimate Group is consistent with its policy; randomly check the individual inventory item numbers to verify the degree of inventory devaluation, and then evaluate the appropriateness of the Aimate Group's allowance for valuation loss.

Responsibilities of the Management and the Governing Body for the Consolidated Financial Statements

The responsibilities of Management are to prepare an appropriately represented Consolidated Financial Report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and standing interpretation recognized and published by the Financial Supervisory Commission, and maintain the necessary internal controls related to the preparation of the Consolidated Financial Statements to ensure that the Consolidated Financial Statements does not contain material misrepresentation due to fraud or error.

In preparing the Consolidated Financial Statements, the Management's responsibilities also include assessing the ability of the Aimate Group to continue operating as a going concern, disclosing related matters, and continuing to adopt the going concern accounting basis, unless the Management intends to liquidate the Aimate Group or cease operations, or there is no practicable alternative other than liquidation or cessation of operation.

The governing bodies of the Aimate Group (including the Audit Committee) are responsible to oversee the financial reporting procedures.

The Certified Public Accountant' Responsibilities in the Audit of the Consolidated Financial Statements

The objective of the audit on the Consolidated Financial Statements is to attain a reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an Audit Report that includes our opinion. Reasonable assurance is a high level of assurance, but the audit work performed in accordance with the Auditing Standards of the Republic of China cannot guarantee that all material misstatements in the Consolidated Financial Statements can be detected. Misstatement may be caused by fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could reasonably have influence on the economic decisions made by the users of the Consolidated Financial Statements, they shall be deemed as material.

The Certified Public Accountant has exercised professional judgment and professional skepticism during the audit in accordance with the Auditing Standards of the Republic of China. The Certified Public Accountant will also perform the following duties:

1. The objective is to identify and assess the significant risks of misrepresentation in the consolidated financial statements arising from fraud or errors. We will then develop and implement appropriate strategies to address these risks. Additionally, we will gather sufficient and appropriate audit evidence to support our audit opinion. It is important to note that the risk of significant misrepresentation due to fraud is higher than that resulting from errors, given the potential for collusion, forgery, intentional omissions, false statements, or circumvention of internal controls. Identify and evaluate the risk of material misstatements in the Consolidated Financial Statements due to fraud or error; design and carry out appropriate countermeasures on the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. The risk of not being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes because fraud may involve conspiracy, forgery, intentional omission, false statement or because fraud may involve conspiracy, forgery, intentional omission, false statement or overstepping internal control.
2. Understanding internal control relevant to the audit in order to design audit procedures that are appropriate in that particular circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Aimate Group.
3. Evaluating the appropriateness of the accounting policy adopted by the Management and the reasonableness of the accounting estimates and related disclosures made accordingly.
4. Concluding on the appropriateness of the Management's use of going concern basis of accounting, and determining whether there existed events or circumstances that might cast significant uncertainty over Aimate Group's ability to continue operation as a going concern based on the audit evidence obtained. If the Certified Public Accountant is of the opinion that a material uncertainty exists, the users of the Consolidated Financial Statements should be reminded to pay attention to the relevant disclosures in the Consolidated Financial Statements, or modify the audit opinion when the disclosures are inappropriate. The Certified Public Accountant's conclusions are based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Aimate Group to no longer have the capacity to operate as a going concern.
5. Assessing the overall presentation, structure and content of the Consolidated Financial Statements (including the related Notes) and whether the Consolidated Financial Statements appropriately represented the related transactions and events.
6. Adequate and relevant audit evidence is obtained to express an opinion on the consolidated financial statements of the entities within the group. The auditor is responsible for guiding, supervising, and conducting the group audit engagement, as well as forming the group audit

opinion. Obtaining adequate and appropriate audit evidence of the financial information of the Group's constituent entities so as to express an opinion on the Consolidated Financial Statements. The Certified Public Accountant is responsible for the guidance, supervision, and execution of the audit on the Airmate Group and is responsible for forming audit opinions on the Airmate Group.

The matters communicated with the governing bodies includes the planned scope and timing of the audit, as well as the significant audit findings (including any significant deficiencies in internal control identified during the audit).

The Certified Public Accountant has also provided the governing bodies with a declaration on the independence of the accounting firm's personnel in compliance with the Code of Ethics of Accountants in the Republic of China and has communicated with the governing bodies on all relationships and other matters (including relevant safeguards) that may be deemed to affect the independence of the Certified Public Accountant.

From the matters communicated with the governing bodies, the Certified Public Accountant has determined the Key Audit Matters of the 2023 Consolidated Financial Statements of the Airmate Group. The accountant has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the accountant decided not to communicate specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

PricewaterhouseCoopers Taiwan

Certified Public Accountant

Guo-Hua, Wang

Wu Jian Zhi

Former Ministry of Finance Securities and Futures Management Committee

Approval number: (87) Taiwan Finance Certificate (VI) No. 68790

Financial Supervisory Commission

Approval number: Financial Supervisory Commission (FSC) No. 1030027246

March 15, 2024

Airaste (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ Thousands

	Assets	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current Assets						
1100	Cash and Cash Equivalents	6(1)	\$ 671,369	8	\$ 898,784	10
1110	Financial Assets at Fair Value through Profit or Loss - Current	6(2)	-	-	43,956	-
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	438,364	5	263,019	3
1150	Net Amount of Notes Receivable	6(4) and 7	518,044	6	842,396	10
1170	Net Amount of Accounts Receivable	6(4) and 7	977,065	12	919,776	10
1200	Other Receivables	6(5)(6)	22,458	-	137,575	2
130X	Inventories	6(7)	2,156,420	27	2,174,374	25
1410	Advance Payment	6(8)	204,282	3	174,534	2
1479	Other Current Assets - Others		14,882	-	60,468	1
1481	Rights of Pending Returning Products - Current	6(26)	52,714	1	34,280	-
11XX	Total Current Assets		<u>5,055,598</u>	<u>62</u>	<u>5,549,162</u>	<u>63</u>
Non-current Assets						
1517	Financial Assets at Fair Value through Other Comprehensive Income- Non-current	6(9)	2,341	-	-	-
1550	Investments Accounted for Using the Equity Method	6(10)	34,381	1	33,440	-
1600	Property, Plant and Equipment	6(11)(12), 8 and 12(4)	2,521,797	31	2,787,713	32
1755	Right-of-use Assets	6(12) and 8	195,611	3	203,685	2
1760	Net amount of investment properties	6(12)(13) and 12(4)	8,664	-	9,307	-
1780	Intangible Assets	6(14)	5,802	-	4,195	-
1840	Deferred Income Tax Assets	6(32)	190,699	2	197,543	2
1990	Other Non-current Assets - Others	6(15) and 8	98,708	1	39,810	1
15XX	Total Non-current Assets		<u>3,058,003</u>	<u>38</u>	<u>3,275,693</u>	<u>37</u>
1XXX	Total Assets		<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,824,855</u>	<u>100</u>

(Continued on next page)

Aimata (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ Thousands

	Liabilities and Equities	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current Liabilities					
2100	Short-term loans	6(16) and 8	\$ 549,060	7	\$ 556,523	6
2130	Contract Liabilities - Current	6(26)	309,398	4	365,995	4
2150	Notes Payable	6(17) and 8	1,506,892	19	1,433,202	16
2170	Accounts Payable		1,466,198	18	1,739,558	20
2200	Other Payables	6(18) and 7	770,258	9	814,340	9
2230	Current Income Tax Liabilities		701	-	3,240	-
2250	Provision - Current	6(19)	54,472	1	22,354	-
2320	Long-term Liabilities Due within One Year or One Operating Cycle	6(20) and 8	-	-	353,566	4
2365	Refund Liabilities - Current	6(26)	78,586	1	52,146	1
2399	Other Current Liabilities - Others		29,802	-	28,525	1
21XX	Total Current Liabilities		<u>4,765,367</u>	<u>59</u>	<u>5,369,449</u>	<u>61</u>
	Non-current Liabilities					
2570	Deferred income tax liabilities	6(32)	33,487	-	24,357	-
2640	Net Defined Benefit Liabilities - Non-current	6(21)	39,858	1	36,727	1
2645	Security Deposits Received		120,126	1	105,457	1
2670	Other Non-current Liabilities - Others	6(22)(27)	69,910	1	73,960	1
25XX	Total Non-current Liabilities		<u>263,381</u>	<u>3</u>	<u>240,501</u>	<u>3</u>
2XXX	Total Liabilities		<u>5,028,748</u>	<u>62</u>	<u>5,609,950</u>	<u>64</u>
	Equities Attributable to Owners of Parent Company					
	Share Capital	6(23)				
3110	Common Stock		1,528,217	19	1,455,445	16
	Capital Surplus	6(24)				
3200	Capital Surplus		1,217,656	15	1,228,726	14
	Retained Earnings	6(25)				
3310	Legal Reserve		117,657	1	69,854	1
3320	Special Reserve		278,317	3	261,181	3
3350	Undistributed Earnings		294,249	4	478,016	5
	Other Equities					
3400	Other Equities		(351,243)	(4)	(278,317)	(3)
3XXX	Total Equities		<u>3,084,853</u>	<u>38</u>	<u>3,214,905</u>	<u>36</u>
	Subsequent Events	11				
3X2X	Total Liabilities and Equities		<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,824,855</u>	<u>100</u>

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands
(Except earnings per share is NTD)

Items	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating Income	6(12)(26) and 7	\$ 8,401,753	100	\$ 9,220,863	100
5000 Operating Cost	6(7)(12)(13)(21)(30)(31)	(6,574,707)	(78)	(7,777,614)	(85)
5900 Gross Profit		1,827,046	22	1,443,249	15
5910 Unrealized Sales Profit	6(10)	(11,003)	-	(15,667)	-
5920 Realized Sales Profit	6(10)	11,674	-	17,138	-
5950 Net Operating Profit		1,827,717	22	1,444,720	15
Operating Expenses	6(14)(21)(30)(31) and 7				
6100 Selling Expenses		(1,406,426)	(17)	(1,146,692)	(12)
6200 Administrative Expenses		(311,214)	(4)	(416,647)	(5)
6300 Research and Development Expense		(135,232)	(1)	(109,238)	(1)
6450 Expected Credit Gain (Loss)	12(2)	12,819	-	(15,114)	-
6000 Total Operating Expenses		(1,840,053)	(22)	(1,687,691)	(18)
6900 Operating loss		(12,336)	-	(242,971)	(3)
Non-operating Income and Expenses					
7100 Interest Income		18,565	-	23,103	-
7010 Other Incomes	6(12)(22)(27)	72,478	1	73,577	1
7020 Other Gains and Losses	6(20)(28) and 12(4)	(3,896)	-	714,741	8
7050 Finance Costs	6(16)(20)(29)	(35,911)	(1)	(29,890)	1
7060 Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10)	842	-	146	(1)
7000 Total Non-operating Income and Expenses		52,078	-	781,677	9
7900 Net profit before tax		39,742	-	538,706	6
7950 Income Tax Expense	6(32)	(13,163)	-	(65,509)	(1)
8200 Net Profit of the Current Period		\$ 26,579	-	\$ 473,197	5
Other Comprehensive Income					
Items not Reclassified to Profit or Loss:					
8311 Re-measurements of Defined Benefit Plans	6(21)	\$ 137	-	\$ 4,819	-
Items that may Subsequently be Reclassified to Profit or Loss:					
8361 Exchange Differences from Translation of Financial Statements of Foreign Operating Entities		(72,926)	(1)	(17,136)	-
8300 Other Comprehensive Profit or Loss (Net)		(\$ 72,789)	(1)	(\$ 12,317)	-
8500 Total Comprehensive Income		(\$ 46,210)	(1)	\$ 460,880	5
Net Profit Attributed to:					
8610 Owners of Parent Company		\$ 26,579	-	\$ 473,197	5
Total Comprehensive Income Attributable to:					
8710 Owners of Parent Company		(\$ 46,210)	(1)	\$ 460,880	5
Earning Per Share	6(33)				
9750 Basic		\$ 0.17		\$ 3.10	
9850 Diluted		\$ 0.17		\$ 2.83	

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmata (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

Note	Equities Attributable to Owners of Parent Company					Exchange Differences from Translation of Financial Statements of Foreign Operating Entities	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings		
In 2022							
Balance on January 1, 2022	\$ 1,455,445	\$ 1,231,625	\$ 179,70	\$ 261,489	(\$ 110,158)	\$ 261,181	\$ 2,756,924
Net Profit of the Current Period	-	-	-	-	473,197	-	473,197
Other Comprehensive Income of the Current Period	-	-	-	-	4,819	(17,136)	(12,317)
Total Comprehensive Income	-	-	-	-	478,016	(17,136)	460,880
Appropriation and Distribution of 2021 Retained Earnings:							
Reversal of Special Reserve	-	-	-	(308)	308	-	-
Statutory surplus reserve to make up for the deficit	-	-	(109,850)	-	109,850	-	-
Redemption of Convertible Corporate Bonds	-	(2,899)	-	-	-	-	(2,899)
Balance as of December 31, 2022	\$ 1,455,445	\$ 1,228,726	\$ 69,85	\$ 261,181	\$ 478,016	\$ 278,317	\$ 3,214,905
In 2023							
Balance on January 1, 2023	\$ 1,455,445	\$ 1,228,726	\$ 69,85	\$ 261,181	\$ 478,016	\$ 278,317	\$ 3,214,905
Net Profit of the Current Period	-	-	-	-	26,579	-	26,579
Other Comprehensive Income of the Current Period	-	-	-	-	137	(72,926)	(72,789)
Total Comprehensive Income	-	-	-	-	26,716	(72,926)	(46,210)
Appropriation and Distribution of 2022 Retained Earnings:							
Setting Aside Legal Reserve	-	-	47,803	-	(47,803)	-	-
Setting Aside Special Reserve	-	-	-	17,136	(17,136)	-	-
Cash Dividends for Ordinary Shares	6(25)	-	-	-	(72,772)	-	(72,772)
Share Dividend for Ordinary Shares	6(23)(25)	72,772	-	-	(72,772)	-	-
Redemption of Convertible Corporate Bonds	6(20)(24)	(11,070)	-	-	-	-	(11,070)
Balance as of December 31, 2023	\$ 1,528,217	\$ 1,217,656	\$ 117,65	\$ 278,317	\$ 294,249	\$ 351,243	\$ 3,084,853

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmata (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

		In 2023	In 2022
<u>Cash Flows from Operating Activities</u>			
Net profit before tax in the current period	\$	39,742	\$ 538,706
Adjustment Items:			
Revenue and Expense Items			
Expected Credit Loss (Gain)	12(2) (	12,819)	15,114
Depreciation Expense	6(11)(12)(13)(30)	358,549	406,859
Amortization Expense	6(14)(30)	1,797	2,745
Interest Expense	6(29)	35,911	29,890
Interest Income	(	18,565) (	23,103)
Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10) (	842) (	146)
Loss (profit) from financial assets measured at fair value through profit or loss	6(28) (	1,580)	4,769
Loss (Gain) on Disposal of Property, Plant and Equipment	6(28) (	16,679)	11,334
Gain on disposal of assets	6(28)	-	(705,571)
Loss (gain) on redemption of corporate convertible bonds	6(20) (	8,838)	1,631
Unrealized Sales Profit	6(10)	11,003	15,667
Realized Sales Profit	6(10) (	11,674) (	17,138)
Unrealized gain on foreign currency exchange	(	9,568) (	843)
Amortization of Long-term Deferred Income	6(27) (	2,874) (	3,268)
Changes in Assets/Liabilities related to Operating Activities			
Net Changes in Assets related to Operating Activities			
Financial Assets at Fair Value through Profit or Loss			
Net Amount of Notes Receivable		45,436 (	44,164)
Net Amount of Accounts Receivable		314,956	503,398
Other Receivables	(	57,328)	275,159
Inventories		114,043 (	107,535)
Advance Payment	(	18,420)	560,413
Other current assets — other		33,292)	89,455
		26,566	11,343
Net Changes in Liabilities related to Operating Activities			
Contract liabilities — current			
Notes Payable	(	52,026)	104,470
Accounts Payable		96,937 (	400,569)
Other Payables	(	248,587) (	547,905)
Provision - Current		32,837)	265,297
Refund Liabilities - Current		32,487 (	6,085)
Other Current Liabilities - Others		27,691 (	43,878)
Net Defined Benefit Liabilities - Non-current		1,979	25,367
		3,269	6,830
Cash Inflow Generated from Operations		584,437	968,242
Interest Received		19,087	22,610
Interest Paid	(	30,809) (	32,204)
Income Tax Acquired (Paid)		43,851	(11,666)
Net Cash Inflow from Operating Activities		616,566	946,982

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Airmate (Cayman) International Co Limited

2023 Earnings Distribution Statement

Unit: NT\$

Item	Amount	
Beginning balance		267,533,643
Plus (less) :		
Changes of re-measurement number of defined benefit plan for the period	137,663	
Current tax after-tax profit	26,578,653	
Subtotal		294,249,959
Plus (less) :		
Propose a statutory surplus reserve of 10%.	(2,671,632)	
Special Reserve for Foreign Operations - Exchange of Financial Statements for Overseas Operating Entities	(72,927,484)	
Distributable earnings		218,650,843
Distribution items:		
Shareholder dividend - cash dividend (NT\$ 0.3 per share)	(45,846,516)	
Shareholder Dividend-Stock Dividend (NT\$0 per share)	-	
Undistributed earnings at the end of the period		172,804,327

Attachment V Comparison Table of Amendments and Provisions to the 'Board Meeting Rules and Regulations'

Article No.	Amended articles	Prevalent articles	Description
8	<p>Article 8</p> <p>When the Board of Directors of our company convenes, the finance department should prepare pertinent documents for the attending directors to consult as needed.</p> <p>The Board of Directors will convene and notify the relevant department or subsidiary personnel to attend the meeting and discuss the agenda items. Accountants, lawyers, or other professionals may also be invited to attend meetings and provide explanations, as needed. However, they should vacate their seats during discussions and voting.</p> <p>The chairman of the board will announce the start of the meeting once the designated time has arrived and more than half of the directors are in attendance.</p> <p>It is time for the meeting. If more than half of the directors are absent, the chairman may announce a postponement on the <u>same day</u>. The number of postponements is limited to two. If there are still not enough attendees after two postponements, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, Section 2. The term 'all directors' mentioned in the previous paragraph and Article 16, paragraph 2, clause 2 should be determined based on the current individuals holding the positions.</p>	<p>Article 8</p> <p>When the Board of Directors of our company convenes, the finance department should prepare pertinent documents for the attending directors to consult as needed.</p> <p>The Board of Directors will convene and notify the relevant department or subsidiary personnel to attend the meeting and discuss the agenda items. Accountants, lawyers, or other professionals may also be invited to attend meetings and provide explanations, as needed. However, they should vacate their seats during discussions and voting.</p> <p>The chairman of the board will announce the start of the meeting once the designated time has arrived and more than half of the directors are in attendance. It is time for the meeting. If more than half of the directors are absent, the chairman may announce a postponement on the same day. The number of postponements is limited to two. If there are still not enough attendees after two postponements, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, Section 2. The term 'all directors' mentioned in the previous paragraph and Article 16, paragraph 2, clause 2 should be determined based on the current individuals holding the positions.</p>	<p>I. To prevent any controversy arising from the uncertainty of the duration of board meetings, it is hereby specified that in cases where the number of attendees is insufficient, the chairman has the authority to declare a deadline for rescheduling the meeting, with the restriction that it must be on the same day.</p> <p>II. Except for the fifth item, the first, second, third, fourth, and sixth items have not been revised.</p>

Article No.	Amended articles	Prevalent articles	Description
11	<p>Article 11 The Board of Directors of our company should proceed with the agenda as stated in the meeting notice. However, changes may be made with the consent of a majority of the attending directors.</p> <p>The chairman may not adjourn the meeting without the consent of a majority of the directors in attendance.</p> <p>If the number of directors present at the board meeting does not reach a majority, the chairman shall, upon a proposal by a director in attendance, announce a temporary suspension of the meeting and apply the provisions of Article 8, Section 5.</p> <p><u>If the chairman is unable to preside over or adjourn the board meeting as stipulated in the second clause, the appointment of a proxy shall be governed by the provisions of the third clause of Article 7.</u></p>	<p>Article 11 The Board of Directors of our company should proceed with the agenda as stated in the meeting notice. However, changes may be made with the consent of a majority of the attending directors.</p> <p>The Chairman may not adjourn the meeting without the consent of a majority of the directors in attendance.</p> <p>If the number of Directors present at the board meeting does not reach a majority, the chairman shall, upon a proposal by a director in attendance, announce a temporary suspension of the meeting and apply the provisions of Article 8, Section 5.</p>	<p>I. Items 1 to 3 have not been amended.</p> <p>II. Considering practicality, if the chairman is unable to preside over the Board of Directors' meeting or fails to announce adjournment as required, the fourth item is added to prevent any disruption to the board's operations.</p>

**Attachment VI Comparison Table of Amendments and Provisions to the
'Shareholders' Meeting Rules and Regulations'**

Article No.	Amended articles	Prevalent articles	Description
3	<p>Article 3</p> <p>The shareholders' meeting of the Company shall be convened by the Board of Directors, unless otherwise stipulated by law. Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent. The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. The shareholder meeting manual and supplementary materials should be prepared as electronic files and sent to the Public Information Observation Station no later than 21 days before the regular shareholders' meeting or 15 days before the ad hoc shareholders' meeting. However, if the company's paid-in capital as of the end of the most recent fiscal year exceeds <u>NT\$2 billion</u> or if the total foreign and mainland Chinese shareholding ratio listed in the shareholder register for the most recent fiscal year's regular shareholders' meeting exceeds 30%, the transmission of the aforementioned electronic files should be completed 30 days before the regular shareholders'</p>	<p>Article 3</p> <p>The shareholders' meeting of the Company shall be convened by the Board of Directors, unless otherwise stipulated by law. Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent. The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. 21 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, prepare electronic files of the procedure manual of the Shareholders' Meeting and the supplementary materials for the meeting and send these files to the Market Observation Post System. However, if the paid-in capital of the Company at the end of the most recent fiscal year exceeds <u>NT\$10 billion</u> or the total shareholding ratio of the foreign capital and Taiwan capital recorded in the register of shareholders of the Annual Shareholders' Meeting convened in the most recent fiscal year exceeds 30%, the aforementioned</p>	<p>In order to provide investors with timely information regarding the resolutions of general meetings of listed and OTC companies, and to encourage shareholders to exercise their right to participate in shareholder meetings, it is proposed to gradually expand the scope of disclosure for listed and OTC companies. This includes the agenda handbook and other relevant information, which will be made available thirty days prior to the general meeting of shareholders. As a result, the third provision is being amended.</p>

Article No.	Amended articles	Prevalent articles	Description
	<p>meeting. 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company.</p> <p>Items four to ten: omitted</p>	<p>electronic files shall be sent 30 days prior to the convening of the Annual Shareholders' Meeting. 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company.</p> <p>Items four to ten: omitted</p>	

Attachment VII Details of the Director Non-Competition Restrictions

Concurrent Positions of the New Director in Other Companies

Name of Director	Concurrent Positions Held
Shih Jui-Pin	Chairman of Airmate International Holding Co.,Ltd Chairman of Airmate China International Co.,Ltd Chairman of Waon Development Ltd Chairman of Waon Development Limited Taiwan Branch (H.K.) Chairman of Airmate Electronic Appliances (Shenzhen) Co., Ltd. Vice Chairman of Airmate Electronic Appliances (Jiujiang) Co., Ltd Managing Director and Legal Representative of Airmate Technological (Shenzhen) Co., Ltd Chairman of Tung Fu Electric Co., Ltd. Representative of Pearl Place Holdings Ltd
Cheng Li-Ping	Director of the Board of Waon Development Ltd
Tsai Cheng-Fu	Director of the Board of Waon Development Ltd Vice Chairman of Airmate Electronic Appliances(Shenzhen)Co., Ltd. Director of the Board of Zhejiang Airmate Electronic Appliances Sales Co., Ltd. Joyful Oasis Ltd. Person in charge Chairman of the Board of Airmate Electronic Appliances (Jiujiang) Co.,Ltd. Managing Director and Legal Representative of Airmate Technological (Shenzhen) Co., Ltd
Shih Jui-Lin	Chairman of Airmate Electronic Appliances (Shenzhen) Co., Ltd. Director of the Board of Airmate Electronic Appliances (Jiujiang)Co., Ltd. Director of Tung Fu Electric Co., Ltd.
Huang Ching-Shu	Chairman of Hern Juei Co., Ltd. Chairman of Heng Ta Mold Enterprise Co., Ltd. Chairman of Ecotime Optoelectronic Technology Co., Ltd.
Lin Chih-Lung	Managing Partner Accountant of Ever Trust Director of the Board of Nang Kuang Pharmaceutical Co., Ltd. Independent Director of the Board of Chia Her Industrial Co., Ltd. Legal Representative and Director of the Board of Topower Co., Ltd.
Hsu Shih-wen	Attorney at Law, Hsu An-Te Law Firm
Lin Hui-fen	Certified Public Accountant at Weyong International CPAs & Co. Independent Director of Otsuka Information Technology Co., Ltd. Independent Director of Lin Horn Technology Co., Ltd. Independent Director of Joy Industrial Co., Ltd.
Yen Min-jen	Professor at National Chengchi University Director of the Center for Digital Empowerment and Sustainable Development at National Chengchi University The National Science Council has commissioned the Digital Empowerment and ESG Industry-Academia Alliance for Sustainable Development. United Nations Development Program (UNDP) Consultant for Technology and Economic Policy Academic Chief Expert Consultant at the Asian Productivity Organization (APO) in Japan Mr. Zhang is a Taiwanese business person affiliated with the Mainland Affairs Council. Director of the Industrial Park Assistance Program, Ministry of Economic Affairs Vice President of Research and Development, Chinese Culture University

Appendix I Articles of Incorporation
THE COMPANIES ACT (REVISED)
Company Limited by Shares

**AMENDED AND RESTATED MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO
LIMITED**

艾美特(開曼)國際有限公司

(adopted by a Special Resolution passed on June 19, 2023)

THE COMPANIES ACT (REVISED)
Company Limited by Shares
AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED
艾美特(開曼)國際有限公司
(adopted by a Special Resolution passed on June 19, 2023)

1. The name of the Company is **Airmate (Cayman) International Co Limited** 艾美特(開曼)國際有限公司.
2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, 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 any law as provided by the Companies Act (Revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Act (Revised).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks & Trust Companies Act (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Act (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Act (as amended).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
8. The authorised share capital of the Company is New Taiwan Dollars 2,162,500,000 divided into 216,250,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Act (Revised) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, 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.
9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (Revised) and, subject to the provisions of the Companies Act (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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THE COMPANIES ACT (Revised)
Company Limited by Shares

AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED
艾美特(開曼)國際有限公司
(adopted by a Special Resolution passed on June 19, 2023)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEX and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Articles	these Articles of Association as altered from time to time;
Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles;

Book Closure Period	has the meaning given thereto in Article 20.3;
Capital Reserve	for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the Law;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Airmate (Cayman) International Co Limited 艾美特(開曼)國際有限公司;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 35.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Directors' Remuneration	has the meaning given thereto in Article 14.5;
Dissenting Member	has the meaning given thereto in Article 28.2;
Electronic Record	has the same meaning as in the Electronic Transactions Act;
Electronic Transactions Act	the Electronic Transactions Act (2003 Revision) of the Cayman Islands;
Employees' Compensations	has the meaning given thereto in Article 14.5;
ESM	the emerging stock market of the ROC;
Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and

	jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Act (Revised) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	a transaction whereby: (a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii)

	all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or new company or any other company, cash or other assets; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in the Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority of the votes cast;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, for so long as the shares are traded on the ESM or listed on the TSE, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in the Articles;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the shares of the Company are traded on the ESM or listed on the TSE) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes

	any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value New Taiwan Dollars 10.00 each in the Company;
Share Swap	a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquiring all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;
Statutory Reserve	has the meaning given thereto in Article 14.5;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;
Supermajority Resolution	a resolution passed by a majority vote of the

	Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
Treasury Shares	has the meaning given thereto in Article 3.13;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	the Taipei Exchange;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In the Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
- (h) Section 8 of the Electronic Transactions Act shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.

1.3 In the Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1** Subject to the Applicable Law, the Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law and the Applicable Public Company Rules.
- 2.2** Unless otherwise provided in the Articles, the issue of new shares of the Company shall be approved by a majority of the Directors 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 authorized capital of the Company.
- 2.3** After the application for trading of the shares on the ESM has been approved by the TPEX, where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC, the TPEX or TSE (as applicable) for the Company to conduct the aforementioned public offering or otherwise provided by Applicable Law. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "**Employee Subscription Portion**"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3 hereof, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as

resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

If any person who has subscribed the new shares (by exercising the aforesaid pre-emptive right of Members or subscribing the Public Offering Portion or the Employee Subscription Portion) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.

- 2.5** Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.

- 2.6** The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 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, Spin-off, 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 rendered in Articles 2.8 and 2.11 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
 - (f) in connection with the issue of shares in accordance with Article 14.5; or
 - (g) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, 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 one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the Members is not required.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 hereof or the incentive programmes pursuant to Article 2.8 hereof, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.
- 2.11** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, 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.

2.12 Without prejudice to any provisions in this Article 2, where shares are issued by the Company for purposes of changing the currency denomination of share capital of the Company as approved by the members at a general meeting (the "**Redenomination**"), to the extent that the percentage of shareholding interest of the members of the Company will not be affected and the members are not required to pay for any new shares issued in connection with the Redenomination (other than out of the proceeds of any share buy back of their existing shares which are subject to the Redenomination), no further approval or consent of the Member or Members shall be required.

3. Redemption and Purchase of Shares

3.1 Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.

3.2 The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.

3.3 The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.

3.4 Every share certificate relating to redeemable share shall indicate that the share is redeemable.

3.5 (i) Subject to the provisions of the Applicable Law and the Articles, 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, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine.

(ii) Without prejudice to Article 3.5.(i), in the case of a repurchase of shares by the Company for purposes of changing the currency denomination of share capital of the Company, consent of the holders of the shares subject to such repurchase shall not be required.

3.6 In the event that the Company proposes to purchase any share traded on the ESM or listed on the TSE pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares traded on the ESM or listed on the TSE for any reason.

- 3.7** For so long as the shares are traded on the ESM or listed on the TSE, the Company is authorised to purchase any share traded on the ESM or listed on the TSE in accordance with the following manner of purchase:
- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
 - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
 - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;
 - (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
 - (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
 - (i) such purchase transactions shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules; and
 - (ii) such purchase transactions shall be in accordance with the Law.
- 3.8** The redemption price may be paid in any manner authorised by Article 16.1.
- 3.9** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Act (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.10** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.11** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.12** No share may be redeemed unless it is fully paid-up.

- 3.13** Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares ("**Treasury Shares**") at the discretion of the Directors.
- 3.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Law.
- 3.16** After the Company purchases the shares traded on the ESM or listed on the TSE, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporaneous motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.17** Subject to Article 3.16 and the Applicable Public Company Rules, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

Subject to Article 2.1, the Memorandum and the Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of the Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends as recommended by the Board and approved by the Members at general meeting;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1** The Company may issue shares in uncertificated/scripless form or issue share certificates. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. For so long as the shares are traded on the ESM or listed on the TSE, shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules.
- 5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3** Share may not be issued in bearer form.
- 5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, 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.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer through the book-entry system of the TDCC within thirty days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

6. Preferred Shares

- 6.1** The Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "Preferred Shares"), and cause to be set forth in the Articles.
- 6.2** For so long as the shares are traded on the ESM or listed on the TSE, the rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
 - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
 - (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are traded on the ESM or listed on the TSE, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not traded on the ESM or listed on the TSE, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

- 9.1** Title to shares traded on the ESM or listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. Notwithstanding the foregoing, an instrument of transfer shall not be required for a repurchase of shares by the Company for purposes of changing the currency of share capital of the Company.
- 9.3** The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or the Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or

administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

11. Alteration of Capital

11.1 The Company may from time to time by Ordinary Resolution:

- (a) increase its share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (c) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
- (d) sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or

- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11.2 The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the new proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION

12. Special Resolution and Supermajority Resolution

12.1 Subject to the Law and the Articles, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to the 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; or
- (e) issue securities by way of Private Placement within the territory of the ROC in accordance with the Applicable Public Company Rules.

12.2 Notwithstanding Article 12.1(e) hereof, the ordinary corporate bonds to be issued through Private Placement by the Company in accordance with the Articles and the Applicable Public Company Rules may be offered in different tranches within one year of the date of the meeting of the Directors approving such Private Placement.

12.3 Subject to the Law and Article 12.4, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution:

- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17 hereof;

- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company;
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation; or
- (f) issuing employee stock options at an issue price lower than the closing price of the shares on the issue date provided that in no event shall the issue price be lower than the par value per share.

12.4 Subject to the Law, the Company may be wound up voluntarily:

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.4(a) above.

13. Variation of Rights Attaching to Shares

If, at any time, the share capital 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 the 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. 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. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

14. Dividends

- 14.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to the Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or, subject to Article 14.2, wholly or partly in specie. No unpaid dividend shall bear interest as against the Company.
- 14.2** Subject to the provisions of Article 14.1, the Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any shareholder to whom it is proposed to make a distribution in specie and a valuation of the assets for distribution from an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.
- 14.3** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the 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 dividends accordingly.
- 14.4** Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.
- 14.5** Unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's annual accounts, if there is "surplus profit" (as defined below), the Company shall set aside an amount as compensation to employees and remuneration for the Directors as follows; provided however that, if the Company has accumulated losses, the Company shall reserve an amount thereof first to making up such losses:

- (a) one per cent (1%) to ten per cent (10%) as compensation to employees ("**Employees' Compensations**"), including employees of the Company's Subsidiaries; and
- (b) no more than three per cent (3%) as remuneration for the Directors (excluding the Independent Directors) ("**Directors' Remuneration**").

The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.

Subject to the Applicable Law, the Employees' Compensations shall be appropriated in the form of cash or stock.

For so long as the shares are traded on the ESM or listed on the TSE, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company); and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules.

In the event that the Company sets aside a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules, for the Company's accumulated deductions on other equity interests booked in previous years and net increase in the fair value of investment property held by the Company, the Company shall set aside a special surplus reserve in an amount equal to the net amount of such accumulated deductions and increase in fair value from undistributed profits in previous years; if the amount of the special surplus reserve required to be set aside is greater than that of the undistributed profits, the shortfall shall be covered by the net profit after tax of the current financial year plus items other than such net profit after tax classified as undistributed profits of the current financial year.

The dividend policy of the Company depends on the Company's current and future investment environment, capital needs, industry competition and capital budgeting, and takes into account the Members' interests and the Company's long-term financial plans. The dividend distribution shall not be less than twenty-five per cent (25%) of the current distributable profits (the "**Base Distributable Profits**") in principle, and such dividends shall be distributed to the Members in proportion to their shareholdings. Dividends to be distributed to the Members may be made in the form of cash dividend or stock dividend or a combination thereof, provided that, the cash dividend shall not be less than ten per cent (10%) of the total amount of dividend payable. However, (i) if the Board deems that it would be more appropriate to adopt a conservative dividend policy after considering the aforementioned factors, the dividend distribution shall not be less than fifty per cent (50%) of the Base Distributable Profits, and the cash dividend shall not be less than ten per cent (10%) of the total amount of dividend payable; and (ii) if the current distributable profits are less than five per cent (5%) of the paid-in capital of the Company, the Board may resolve not to distribute any dividends and submit such proposal to the Members for their approval in the general meetings.

The term "current distributable profits" referred to in the preceding paragraph means the remaining profits of the relevant financial year after payment of tax, offsetting losses incurred in previous years, setting aside the Statutory Reserve, and setting aside the special surplus reserve in accordance with the fourth and fifth paragraphs of this Article 14.5, excluding undistributed profits in previous years.

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, distribute dividends, bonuses or other distribution from the Capital Reserve and Statutory Reserve payable, in part or in whole, in cash and report the same to the Members at the general meetings.

- 14.6** The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.
- 14.7** For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

15. Capital Reserve and Power to Set Aside Profits

- 15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.
- 15.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to Article 23.2 and compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Statutory Reserve and Capital Reserve, and make distributions out of the Capital Reserve.

16. Method of Payment

- 16.1** Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.
- 16.2** In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the holder may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

17. Capitalisation

Subject to the Law and Article 12.3(a), the Board may capitalise any sum for the time being standing to the credit of the Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

18. Annual General Meetings

- 18.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, which shall be called by the Board.
- 18.2** The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint.
- 18.3** For so long as the shares are traded on the ESM or listed on the TSE, unless otherwise provided by the Law, the physical general meetings shall be held in the ROC. If the Board resolves to hold a physical general meeting outside the ROC, the Company shall apply for the approval of the ESM (in the case that the shares are traded on the ESM) or the TSE (in the case that the shares are listed on the TSE) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).
- 18.4** A general meeting may be held by way of video conference or in a manner consistent with the Applicable Public Company Rules or other methods announced by the competent authority of the ROC in charge of the Company Law of the ROC in relation to the general meeting of a company incorporated thereunder (to be applied mutatis mutandis). For the avoidance of doubt, under circumstance in consequence of any natural disaster, incident, or act of God, the competent authority of the ROC in charge of the Company Law of the ROC may announce that a company incorporated thereunder may hold its general meeting by way of video conference or any other methods within a certain period of time. Where a general meeting is held by way of video conference, a Member who has participated in such general meeting by way of video conference shall be deemed to be present in person at such general meeting. The prerequisites, procedures, and other matters to be complied with in connection with holding a general meeting by way of video conference shall follow the Applicable Public Company Rules.

19. Extraordinary General Meetings

- 19.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 19.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable.

- 19.3** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.
- 19.4** A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 19.5** The Member's 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 deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.
- 19.6** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board.
- 19.7** For so long as the shares are traded on the ESM or listed on the TSE, any one or more Members holding in aggregate more than half of the total number of the issued shares of the Company as at the relevant Book Closure Period for at least three consecutive months may convene an extraordinary general meeting.

20. Notice

- 20.1** Before the shares are traded on the ESM or listed on the TSE, at least five days' notice of a general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 20.2** For so long as the shares are traded on the ESM or listed on the TSE, at least thirty days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.

- 20.3** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. The Board shall fix the period that the Register of Members shall be closed for transfers in accordance with the Applicable Public Company Rules (the "**Book Closure Period**").
- 20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.5** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 20.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules.
- 20.6** For so long as the shares are traded on the ESM or listed on the TSE, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,
 - (b) alteration of the Memorandum or Articles,
 - (c) reduction of share capital,
 - (d) application for de-registration as a public company in the ROC,
 - (e) (i) dissolution, Merger, Share Swap or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,

- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,
- (h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members,
- (i) Private Placement of any equity-related securities to be issued by the Company, and
- (j) issuance of employee stock options at an issue price lower than the closing price of the shares on the issue date.

The material contents of the above matters may be uploaded onto the website designated by the FSC or the Company, and such website shall be indicated in the notice of general meeting.

- 20.7** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review, transcribe or make copies of the foregoing documents, and the Company shall cause the stock affairs agent to provide such Members with access to above documents.
- 20.8** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with 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 inspection and review.
- 20.9** The Board or any person who is entitled to convene a general meeting under the Articles may demand the Company or the Company's stock affairs agent to provide the Register of Members.

21. Giving Notice

21.1 Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purpose of this Article, a notice may be sent via electronic means if so agreed to by the Members in writing.

21.2 Any Notice or other document shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of the Articles.

Any Notice or document may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

This Article shall apply *mutatis mutandis* to the service of any document by a Member on the Company under the Articles.

22. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of the Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of the Articles provided that in the event that the Members resolve to postpone the general meeting to a specified date which is not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5 and 21 do not apply and notice of the adjournment shall not be required.

23. Quorum and Proceedings at General Meetings

23.1 No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

23.2 For so long as the shares are traded on the ESM or listed on the TSE, the Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified

financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.

- 23.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote at the meeting shall be decided by a show of hands.
- 23.4** For so long as the shares are traded on the ESM or listed on the TSE, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 23.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, 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.
- 23.6** For so long as the shares are traded on the ESM or listed on the TSE, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or by electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. The Board shall include a proposal unless (a) the proposing Member(s) holds less than one per cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese characters; (c) the proposing Member(s) has/have proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s). If any of the proposals submitted by such Member(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed at a general meeting.
- 23.7** The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, the Articles and the Applicable Public Company Rules.

24. Chairman to Preside

- 24.1** The Chairman shall act as chairman at all meetings of the Members at which such person is present. In his absence the Directors who are present at the meeting of Members shall elect one from among themselves to act as the chairman at such meeting in lieu of the Chairman.
- 24.2** For so long as the shares are traded on the ESM or listed on the TSE, the chairman at all meetings of the Members shall be appointed in accordance with the Applicable Public Company Rules.

25. Voting on Resolutions

- 25.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 25.2** 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.
- 25.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 25.4** Subject to the Law, for so long as the shares are traded on the ESM or listed on the TSE, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power is exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are

received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

25.5 In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.

25.6 A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

26. Proxies

26.1 The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular 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.

- 26.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor in writing, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 26.3** For so long as the shares are traded on the ESM or listed on the TSE, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.
- 26.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised 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 voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the 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.
- 26.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 25.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

27. Proxy Solicitation

For so long as the shares are traded on the ESM or listed on the TSE, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

28. Dissenting Member's Appraisal Right

28.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential 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) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;
- (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

Shares which have been abstained from voting in accordance with this Article 28.1 shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.

28.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 28.1 (the "**Dissenting Member**") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at

the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

- 28.3** Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's shares, then, within thirty (30) days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Members. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

Notwithstanding the above provisions under this Article 28, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a merger or consolidation.

29. Shares that May Not be Voted

29.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital.

shall not carry any voting rights nor be counted in the total number of issued shares at any given time but only for so long as the circumstances as set out in sub-paragraphs (a) to (c) (as applicable) above continue.

- 29.2** A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining 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.

29.3 For so long as the shares are traded on the ESM or listed on the TSE, if the number of shares pledged by a Director at any time amounts to more than 50% of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding 50% of the total shares held by such Director at the time of his latest appointment, up to 50% of the total number of shares held by the Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Representation of Corporate Member

31.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or such non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

31.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

32. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of the Articles.

33. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

34. Number and Term of Office of Directors

- 34.1** There shall be a Board consisting of no less than seven (7) and no more than eleven (11) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.
- 34.2** For so long as the shares are traded on the ESM or listed on the TSE, unless otherwise approved by the TPEX (in the case that the shares are traded on the ESM) or the TSE (in the case that the shares are listed on the TSE), the number of Directors having a spousal relationship or Family Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 34.3** 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 34.2 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 for in Article 34.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation without any action required on behalf of the Company.
- 34.4** For so long as the shares are listed on the TSE, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors accounting for not less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise. Before the shares are listed on the TSE, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.
- 34.5** The Directors (including Independent Directors and Directors other than Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TSE.

34.6 Independent Directors shall have professional knowledge and shall maintain independence within the scope of 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 consistent with the Applicable Public Company Rules.

35. Election of Directors

35.1 The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.

35.2 The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "**Cumulative Voting**") in the following manner:

- (a) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting;
- (b) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates;
- (c) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
- (d) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.

35.3 For so long as the shares are traded on the ESM or listed on the TSE, if the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies. If the Independent Directors domiciled in the ROC have resigned or have been removed or

vacated which results in less than two Independent Directors domiciled in the ROC, the Board shall, within sixty (60) days from the date of resignation or removal of the last retiring Independent Director domiciled in the ROC, hold a general meeting to elect succeeding Independent Directors to fill the vacancies.

- 35.4** For so long as the shares are traded on the ESM or listed on the TSE, if the number of Directors is less than seven (7) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 35.5** Where a legal entity is a Member, its authorized representative may be elected as Director of the Company in accordance with the Articles. If there are more than one authorized representatives, each of them may be nominated for election at a general meeting.

36. Removal of Directors

- 36.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where re-election of all Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 36.2** For so long as the shares are traded on the ESM or listed on the TSE, in case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or the Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

37. Vacation of Office of Director

37.1 The office of Director shall be vacated:

- (a) if the Director is removed from office pursuant to the Articles;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2;
- (f) if the Director is automatically removed in accordance with Article 37.2;
- (g) if the Director ceases to be a Director in accordance with Article 37.3; or
- (h) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
 - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration having not been revoked yet;
 - (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than five years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;
 - (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than two years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;

- (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act during the time of his public service, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than two years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned; or
- (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 37.1(h) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

37.2 In case a Director (other than an Independent Director) has, during the term of office as a Director (other than an Independent Director), transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, *ipso facto*, be removed automatically from the office of Director with immediate effect and in such case no approval from the Members shall be required.

37.3 If a Director (other than an Independent Director) has, after having been elected as a Director (other than an Independent Director) but before assuming his office, transferred more than one half of the Company's shares being held by him at the time of his election as a Director (other than an Independent Director), or if the said Director, during the Book Closure Period prior to a general meeting, has transferred more than one half of the Company's shares being held by him, then the election of such Director shall immediately be invalidated without the need of any shareholders' approval.

38. Compensation of Directors

38.1 For so long as the shares are traded on the ESM or listed on the TSE, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM, the Board may resolve to establish a Compensation Committee.

38.2 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

38.3 The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

39. Defect in Election of Director

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, 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, be as valid as if every such person had been duly elected and was qualified to be a Director.

40. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by the Articles, required to be exercised by the Company in general meeting subject, nevertheless, to the Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

41. Powers of the Board of Directors

Without limiting the generality of Article 40, the Board may subject to Article 12.3:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

42. Register of Directors and Officers

42.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and

(b) address.

42.2 The Board shall, within the period of sixty days from the occurrence of:-

(a) any change among its Directors and Officers; or

(b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

43. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of the Articles.

44. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

45. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

46. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

47. Conflicts of Interest

47.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 47.1 shall not apply to Independent Directors.

47.2 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 28.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required

by the Applicable Law. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents can be announced on the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director, has a personal interest in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. For the purpose of this Article 47.2, the terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

47.3 Notwithstanding anything to the contrary contained in this Article 47, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and 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.

47.4 Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

48. Indemnification and Exculpation of Directors and Officers

48.1 The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys

of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.

48.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may:

- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
- (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or

the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.

48.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of

any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

MEETINGS OF THE BOARD OF DIRECTORS

49. Board Meetings

- 49.1** Board meetings shall be convened by the Chairman, and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.
- 49.2** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall hold regular meetings of the Board at least on a quarterly basis and such meetings shall be held in compliance with the Applicable Public Company Rules.
- 49.3** A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail. For these purposes, where Directors present and entitled to vote at the meeting do not cast a vote at the meeting, such Directors will be deemed to vote against the resolution.
- 49.4** A Director may be represented at any meetings of the Board by a proxy appointed in writing by him. 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.
- 49.5** The instrument appointing a proxy shall be in writing in such form as the Board may approve and may at any time be revoked in like manner, and notice of every such appointment or revocation in like manner.
- 49.6** A proxy must be a Director and can only act on behalf of one appointing Director at a meeting of the Board.

50. Notice of Board Meetings

- 50.1** The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board.

50.2 Before the shares are traded on the ESM, at least 48 hours prior notice shall be given for any meeting of the Board provided that in the case of urgent circumstances as agreed by a majority of the Directors, a meeting of the Board may be convened on short notice, or be held anytime after notice has been given to every Director or be convened without prior notice if all Directors agree. For so long as the shares are traded on the ESM or listed on the TSE, to convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. For the purpose of this Article, a notice may be sent via electronic means if so agreed to by the Directors.

51. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

52. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.

53. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

54. Chairman to Preside

The Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

55. Validity of Prior Acts of the Board

No regulation or alteration to the Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

56. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

57. Register of Mortgages and Charges

57.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

57.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

58. Form and Use of Seal

58.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

58.2 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

58.3 The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

TENDER OFFER AND ACCOUNTS

59. Tender Offer

For so long as the shares are traded on the ESM or listed on the TSE, any public announcement in connection with any tender offer of the Company's shares shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing Public Tender Offers for Securities of Public Companies."

60. Books of Account

60.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

60.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

60.3 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 (1) year. However, if a Member institutes 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 (1) year.

61. Financial Year End

Unless the Directors otherwise specify, the financial year of the Company:

- (a) shall end on 31st December in the year of its incorporation and each following year; and
- (b) shall begin when it was incorporated and on 1st January each following year.

AUDIT COMMITTEE

62. Number of Committee Members

For so long as the shares are listed on the TSE, the Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. Before the shares are listed on the TSE, the Board may resolve to set up the Audit Committee.

63. Powers of Audit Committee

63.1 The Audit Committee (if established) shall have the responsibilities and powers as specified under the Applicable Public Company Rules. 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 for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (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-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports (if applicable under the Applicable Public Company Rules); and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

- 63.2** Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine the accounting books and documents, and request the Board or officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorise any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.
- 63.3** The Audit Committee shall audit the various financial statements and records prepared by the Board for submission to the general meeting, and shall report their findings and opinions at such meeting.
- 63.4** Subject to compliance with the Law, before the meeting of Directors resolves any matter specified in Article 28.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the FSC and made available to the Members for their inspection and review at the venue of the general meeting. =

VOLUNTARY WINDING-UP AND DISSOLUTION

64. Winding-Up

64.1 The Company may be voluntarily wound-up in accordance with Article 12.4.

64.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such 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 the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

65. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by Special Resolution, alter or add to its Articles.

REDUCTION OF SHARE CAPITAL

66. Reduction of Share Capital

The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law and the Applicable Public Company Rules. Any such reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Public Company Rules.

67. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

APPOINTMENT OF LITIGIOUS AND NON-LITIGIOUS AGENT

68. Appointment of Litigious and Non-Litigious Agent

For so long as the shares are traded on the ESM or listed on the TSE, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the

ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

OTHERS

69. Shareholder Protection Mechanism

If the Company proposes to undertake:

- (a) a merger or consolidation which will result in the Company being dissolved;
- (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity;
- (c) a Share Swap; or
- (d) a Spin off,

which would result in the termination of the Company's listing on the TSE, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company's shares are not listed on the TPEX or the TSE, then in addition to any requirements to be satisfied under the Law, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.

70. ROC Securities Laws and Regulations

For so long as the shares are traded on the ESM or listed on the TSE, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee which are required to be followed by the Company shall comply with the applicable ROC securities laws and regulations.

71. Corporate Social Responsibilities

In the course of conducting its business, the Company shall comply with the Applicable Public Company Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.

Appendix II Board Meeting Rules and Regulations (Before Amendment)

Article 1.

In order to establish a robust corporate governance system, enhance supervisory functions, and strengthen management capabilities, the Company has formulated this regulation in compliance with Article 2 of the 'Procedures for Board Meetings of Publicly Listed Companies'.

Article 2.

The rules of procedure for our company's Board of Directors state that all main agenda items, operating procedures, matters to be recorded in the minutes, announcements, and other relevant matters must be handled in accordance with these rules of procedure.

Article 3.

The Board of Directors of our company convenes at least once every quarter.

The Board of Directors must provide a statement of reasons and notify all directors and independent directors at least seven days in advance before convening a meeting. However, in the event of an emergency, the meeting may be called at any time.

The notice of the aforementioned convocation may be sent electronically with the consent of the parties involved.

In accordance with Article 12, Section 1 of this regulation, all items specified in the different clauses must be included in the meeting agenda and cannot be proposed as motions during the meeting.

Article 4.

The Board of Directors of our company has designated the Financial Department as the unit responsible for managing meeting-related matters.

The secretariat unit is responsible for preparing the agenda for the board meeting and providing all necessary meeting materials. These materials should be sent along with the meeting notice.

If the directors believe that the meeting materials are inadequate, they have the option to request additional information from the Secretariat. If the directors deem the information on the proposal to be insufficient, they have the authority to postpone the review until a resolution is reached by the Board of Directors.

Article 5.

During the company's board meeting, a sign-in sheet should be provided for directors to sign, for reference purposes.

Directors are required to personally attend board meetings. In the event that they are unable to attend in person, they may designate another director to attend on their behalf in accordance with the company's bylaws. If directors participate in the meeting via video conference, it will be considered equivalent to attending in person.

When a director delegates another director to attend a board meeting on their behalf, they should provide a power of attorney for each instance, clearly stating the authorized scope of the meeting's agenda.

The second agent is limited to acting on behalf of one person.

Article 6.

The Board of Directors meeting should be held at the company's premises during office hours, or at a location and time convenient for directors to attend and for the meeting to take place.

Article 7.

The Board of Directors of our company is convened and chaired by the chairman. However, for each initial board meeting, it is convened by the director with the highest number of votes from the shareholders' meeting. The chairman of the meeting is appointed by the convening director. If there are more than two convening directors, they should collectively choose one person to assume the role.

According to Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Law, if more than half of the directors convene the Board of Directors, they must elect a chairman.

If the shareholder's meeting is convened by the Board of Directors, then the chairperson shall be acted upon by the chairman. If the chairman asks for leave or cannot execute his duty, vice chairman comes for replacement. If there is no vice chairman or the vice chairman asks for leave or cannot execute his duty, the chairman can designate one executive director as replacement; if there is no executive director, the chairman can designate one director as replacement; if the chairman does not designate, the executive director or director will recommend one as replacement.

Article 8.

When the Board of Directors of our company convenes, the finance department should prepare pertinent documents for the attending directors to consult as needed.

The Board of Directors will convene and notify the relevant department or subsidiary personnel to attend the meeting and discuss the agenda items.

Accountants, lawyers, or other professionals may also be invited to attend meetings and provide explanations, as needed. However, they should vacate their seats during discussions and voting.

The Chairman of the board will announce the start of the meeting once the designated time has arrived and more than half of the directors are in attendance.

It is time for the meeting. If more than half of the directors are absent, the chairman may announce a postponement on the same day. The number of postponements is limited to two. If there are still not enough attendees after two postponements, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, Section 2.

The term 'all directors' mentioned in the previous paragraph and Article 16, paragraph 2, clause 2 should be determined based on the current individuals holding the positions.

Article 9.

The minutes of our company's board meetings should be fully recorded in audio or video and retained for a minimum of five years. The recordings may be stored electronically.

The audio or video evidence that is relevant should be preserved until the end of the litigation, in the event of a lawsuit concerning Board of Directors matters, and before the expiration of the preservation period mentioned in the previous clause.

For video conference organizers, the video and audio data are considered part of the meeting minutes and should be appropriately preserved for the duration of the company's existence.

Article 10.

The agenda for our regular board meetings shall include, at a minimum, the following items:

- I. Report items:
 - (I) Minutes of the previous meeting and implementation status.
 - (II) Important Financial Business Report.
 - (III) Internal Audit Business Report.
 - (IV) Other important matters to report.
- II. Discussions:
 - (I) Discussion items carried over from the previous meeting.
 - (II) The agenda for this meeting is as follows.
- III. Extempore motion.

Article 11.

The Board of Directors of our company should proceed with the agenda as stated in the meeting notice. However, changes may be made with the consent of a majority of the attending directors.

The Chairman may not adjourn the meeting without the consent of a majority of the directors in attendance.

If the number of Directors present at the board meeting does not reach a majority, the chairman shall, upon a proposal by a director in attendance, announce a temporary suspension of the meeting and apply the provisions of Article 8, Section 5.

Article 12.

The Board of Directors of our company should discuss the following matters:

- I. The Company's Operational Plan.
- II. Annual financial report and second quarter financial report that need to be verified by an accountant.
- III. In accordance with Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the Act), the regulation of the establishment or amendment of internal control systems and the assessment of their effectiveness is required.
- IV. The processing procedures for significant financial transactions, such as acquiring or disposing of assets, engaging in derivative commodity trading, lending funds to others, endorsing or providing guarantees for others, as stipulated in Article 36-1 of the Securities and Exchange Act.
- V. The offering, issuance, or Private Placement of any equity-related securities.
- VI. In the absence of executive directors on the Board of Directors, the appointment or removal of the chairman.
- VII. Appointment and termination of supervisors for financial, accounting, or internal audit roles.
- VIII. Donations to related parties or significant donations to unrelated parties. However, in the case of urgent and necessary donations for major natural disasters, they can be submitted for retroactive approval at the next board meeting.
- IX. In accordance with Article 14-3 of the Securities and Exchange Act, as well as any other matters that necessitate resolutions from the shareholders' meeting or the Board of Directors as stipulated by laws, regulations, or articles of association, or significant matters specified by the competent authority.

The term 'related party' mentioned in Article 8 refers to the related parties specified in the Financial Reporting Standards for Securities Issuers. The term 'significant donation to non-related parties' refers to donations of NT\$100 million or more for each donation or accumulated donations to the same recipient within one year, or donations that represent 1% or more of the net operating income audited by the accountant in the most recent annual financial report, or 5% or more of the paid-in capital.

The term 'within one year' refers to the period calculated backwards from the date of this board meeting, excluding the portion that has already been approved by the board and should not be counted again.

There must be at least one independent director present at the board meeting. For the first agenda item that requires a board resolution, all independent directors should attend the meeting. If an independent director is unable to attend in person, another independent director should be designated as a proxy. If independent directors have any objections or reservations, they should be documented in the minutes of the board meeting. In cases where independent directors are unable to attend the board meeting in person to express their objections or reservations, they should provide written opinions in advance, unless there are valid reasons not to do so. These written opinions should also be included in the minutes of the board meeting.

Article 13.

When the chairman determines that the discussion on the board meeting agenda has reached a point where a vote can be conducted, he may announce the conclusion of the discussion and proceed to the vote.

When the Board of Directors of our company voted on the agenda during the meeting, it was considered approved as there were no objections from all attending directors, as confirmed by the chairman. If there are any objections following consultation with the chairman, they should be brought to a vote.

The chairperson shall choose the voting method from the following provisions. However, if there is an objection from the attendees, the decision shall be based on the majority opinion.

- I. Voting by a show of hands or by using a voting machine.
- II. Please call the roll and proceed with the vote.
- III. Please cast your vote.
- IV. The company itself makes the vote.

The term 'full attendance of directors' mentioned in the first two items does not include directors who are prohibited from exercising voting rights under Article 15, Paragraph 1.

Article 14.

The resolution of our company's Board of Directors shall be adopted with the presence of more than half of the directors and the consent of more than half of the attending directors, unless otherwise specified by the Securities and Exchange Act and the Company Act.

If there is amendment proposal or substitution proposal for the same motion, the chairperson shall determine the order of decision by vote. However, if one of the cases has already been approved, the other cases will be considered rejected and do not require another vote.

If there is a need to appoint supervisors and vote counters for a motion, the chairperson shall designate them. However, the supervisors must be directors.

The outcome of the vote should be promptly reported and documented.

Article 15.

Directors who have a personal or representative interest in the matters discussed at the meeting should disclose the relevant details during the board meeting. If there is a potential harm to the company's interests, they should refrain from participating in the discussion and voting. Additionally, they should not act as proxies for other directors when exercising their voting rights. Spouses, parents within the second degree of consanguinity, or companies with a controlling subsidiary relationship with a director, who have a vested interest in the matters discussed at the meeting, shall be considered to have a personal interest in those matters as a director.

The resolution of the Board of Directors of our company will be handled in accordance with Article 206, Paragraph 3 of the Company Law. This article applies the provisions of Article 180, Paragraph 2 to directors who are not permitted to exercise voting rights as stated in the previous paragraph.

Article 16.

The minutes of the Board of Directors' meetings should accurately record the following matters:

- I. Meeting session (or year), time, and location.
- II. Name of the Chairman.
- III. Attendance of directors, including the names and numbers of those present, on leave, and absent.
- IV. Names and titles of attendees.
- V. Recorded name.
- VI. Report items.
- VII. Discussion items: methods and results of resolutions for each proposal, summaries of speeches by directors, experts, and other personnel, names of directors involved in conflicts of interest as stipulated in the previous article, explanations of important content related to conflicts of interest, reasons for avoidance or non-avoidance, situations of avoidance, recorded or written statements of opposition or reservation, and written opinions issued by independent directors as stipulated in Article 12, Section 4.
- VIII. Ad Hoc Motion: The proposer's name, the method and result of the resolution of the proposal, summary of statements made by directors, experts, and other personnel, the names of directors with conflicts of interest under the provision of the preceding paragraph, explanation of the significant contents of the conflict of interest, reasons for recusal or non-recusal, instances of recusal, and recorded or written statements of objection or reservation.
- IX. Other required disclosure.

The decisions made by the Board of Directors shall be recorded in the meeting minutes and announced and reported to the designated public information observation station of the Financial Supervisory Commission within two days of the meeting, if any of the following circumstances exist:

- I. Independent directors may hold dissenting or reserved opinions, which are documented in a record or written statement.
- II. The matters that have not been approved by the Audit Committee of our company, but have been approved by more than two-thirds of the Board of Directors.

III. The compensation committee has approved a proposal that is superior to the recommendation of the remuneration committee.

The attendance register of the Board of Directors is part of the minutes of the meeting and should be properly preserved during the company's existence.

The minutes of the meeting must be signed or stamped by both the chairman and the recorder, and then distributed to each director within twenty days following the meeting. And it should be included in the company's important files and properly preserved for the duration of our company's existence.

The production and distribution of the first meeting minutes can be done electronically.

Article 17.

Except for matters that require discussion by the Board of Directors as stated in item 1 of Article 12, the Board of Directors may delegate its powers to individuals in accordance with laws, regulations, or the Company's Articles of Incorporation. The scope, content, and details of such delegation should be specific and unambiguous. The following principles shall govern:

During the recess of the Board of Directors, when the chairman is authorized to exercise the powers of the Board of Directors, unless otherwise required by laws or relevant regulations to be resolved by the Board of Directors, the scope of authorization is as follows:

- I. Considering the company's capital requirements, manage all aspects pertaining to loan quotas and conditions with different financial institutions, and provide a report on the implementation to the Board of Directors.
- II. In accordance with the company's funding requirements, endorsement and guarantee matters will be conducted in accordance with the specified procedures for endorsement and guarantee operations. Transactions will be carried out within the limits specified in the procedures for acquiring or disposing of assets, and the execution status will be reported to the Board of Directors.
- III. Appointment of Directors, Independent Directors, and Representatives of the Investment Company.
- IV. Company Organizational Restructuring
- V. Please approve all significant contracts.

Other matters authorized in accordance with the company's articles of incorporation and regulations shall be addressed.

Article 18.

When the company has a Board of Directors, the proceedings of the Board of Directors shall be governed by Articles 2, 3(2), 4 to 6, 8 to 11, and 13 to the preceding article; the appointment or removal of the chairman shall be governed by Article 3(4). However, the Board of Executive Directors, which meets regularly within seven days, may notify each member of the Board of Executive Directors two days in advance.

Article 19.

The approval of this code of conduct should be obtained from the Board of Directors of our company and reported to the shareholders' meeting. Any future revisions must be authorized by a resolution of the Board of Directors.

Appendix III Rules of Procedure for Shareholders' Meeting (before Amendment).

Article 1.

The rules are formulated in accordance with Article 5 of the governance practice rules of listed and over-the-counter companies for compliance, to establish sound shareholders' meeting governance system, perfect supervision function and enhance management mechanism.

Article 2.

The rules of procedure for shareholders' meeting of the Company shall follow these rules, unless otherwise stipulated by law or Articles of Association.

Article 3.

The shareholders' meeting of the Company shall be convened by the Board of Directors, unless otherwise stipulated by law.

Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent.

The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. 21 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, prepare electronic files of the procedure manual of the Shareholders' Meeting and the supplementary materials for the meeting and send these files to the Market Observation Post System. However, if the paid-in capital of the Company at the end of the most recent fiscal year exceeds NT\$ 10 billion or the total shareholding ratio of the foreign capital and Taiwan capital recorded in the register of shareholders of the Annual Shareholders' Meeting convened in the most recent fiscal year exceeds 30%, the aforementioned electronic files shall be sent 30 days prior to the convening of the Annual Shareholders' Meeting. 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company.

The agenda and supplementary materials mentioned in the preceding paragraph will be provided to shareholders by the Company on the day of the shareholders' meeting in the following manner:

- I. When conducting a physical shareholders' meeting, the documents should be distributed on-site during the meeting.
- II. When a video-assisted Shareholders' Meeting is held, they shall be distributed on-site at the Shareholders' Meeting and sent to the video conferencing platform by electronic file.
- III. When a Shareholders' Meeting is held by means of visual communication, they shall be sent to the video conferencing platform by an electronic file.

Notice and announcement shall clearly record the cause of convention; and the notice that has to be permitted by the relative party shall be in electronic form.

Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.

The cause for convening the shareholders' meeting has been stated for the full re-election of Directors and the date on which they assumed office has been set forth. After the re-election is completed in the Shareholders' Meeting, the same meeting may not be held as extraordinary motion or in other form to change its appointment date.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular Shareholders' Meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholders' proposal for urging the Company to promote the public interest or fulfill its social responsibility may still be included in the list of proposals to be discussed at a regular Shareholders' Meeting by the Board of Directors. Besides, if the proposal raised by shareholders fall into the provisions of subparagraph 4 of paragraph 1 of Article 172 of the Company Act, the Board of Directors will not list it as motion.

The company should announce the deadline for stock transfer applications, the methods of submitting written applications, the locations for submission, and the duration of the acceptance period prior to the convening of the shareholders' meeting. The acceptance period should be at least ten days.

The proposal raised by shareholders shall be within 300 words; or otherwise, it will not be listed as motion. The shareholders raising the proposal shall attend the regular shareholders' meeting in person or entrust others to do so on his behalf, and participate in the discussions.

The Company shall notify the proposal raising shareholder of the handling result before the date of shareholders' meeting convention notice, and list the motion conforming to the provisions of this Article in the convention notice. For proposal raised by shareholders not included in the motion, the Board of Directors shall explain the reasons for the same at the shareholders' meeting.

Article 4.

Shareholders shall present letter of authorization issued by the Company before every shareholders' meeting, recording the scope of authorization, entrusted agent, attend the shareholders meeting.

One shareholder can only issue one letter of authorization and entrust one person. The letter of authorization shall be delivered to the Company five days before convention of the shareholders' meeting; if there is repetition, whichever arrives earliest shall prevail. However, announcement of revoking previous authorization is not subject to this provision.

If the shareholder is planning to attend the shareholders' meeting himself or execute his voting power in written or electronic form after delivery of the letter of authorization to the Company, he shall revoke the notice of letter of authorization to the Company in writing. In case of cancellation after the expiration of the time limit, the voting right of the entrusted agent shall prevail.

After the service of the power of attorney of a proxy to the Company, in case the Shareholder issuing the said proxy intends to attend the Shareholders' Meeting by means of visual communication, a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the notice of convening the Shareholders' Meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5.

The place for convening the shareholders' meeting shall be the domicile of the Company or other place that is convenient for shareholders to attend or suitable for the meeting. The starting time for the meeting shall not be earlier than 9 am or later than 3 pm. The convention time and place shall fully consider the opinions of independent directors.

When the Company convenes a Shareholders' Meeting by means of visual communication, it shall not be subject to the aforementioned restriction on the venue of convening.

Article 6.

The company should include the reporting time, reporting location, and other important matters for shareholders, applicants, and authorized agents (hereinafter referred to as shareholders) in the meeting notice.

The aforementioned Shareholder shall register at least 30 minutes prior to the commencement of the meeting; the registration place shall be clearly marked and appropriate and competent personnel shall be dispatched to handle the registration; for the Shareholders' Meeting by means of visual communication, registration shall be accepted on the video conferencing platform of the Shareholders' Meeting 30 minutes prior to the commencement of the meeting. Shareholders who have completed the registration shall be deemed to have attended the Shareholders' Meeting in person.

Shareholders shall attend the Shareholders' Meeting by presenting their attendance cards, attendance sign-in cards or other attendance certificates, and the Company shall not arbitrarily add any requirements for presenting other supporting documents to the certification documents of shareholders in attendance; solicitors who solicit the power of attorney shall carry their identification documents for verification purposes.

The Company shall prepare the signature book for sign-in by attending shareholders, or sign-in card has to be submitted for replacement.

The Company shall deliver the meeting handbook, annual report, attendance certificate, speech note, vote and other meeting materials to shareholders attending the meeting; if in selection of directors, ballots shall be attached.

When the government or legal person acts as shareholder, the representative to attend the shareholders' meeting is not limited to one. When legal person is entrusted to attend the shareholders' meeting, it can only assign one representative to attend.

If the Shareholders' Meeting is held by means of visual communication, Shareholders who wish to attend the meeting by means of visual communication shall register with the Company two days prior to the convening of the Shareholders' Meeting.

If the Shareholders' Meeting is held by means of visual communication, the Company shall, at least 30 minutes prior to the commencement of the meeting, upload the manual for Shareholders' Meeting proceedings, annual report and other relevant information to the video conferencing platform of the Shareholders' Meeting and continue to disclose the same until the end of the meeting.

Article 6-1.

The company conducted a shareholder meeting through a video conference, as mentioned in the shareholder meeting notice. The meeting agenda included the following items:

- I. Methods for Shareholders to Participate in Video Conferences and Exercise Their Rights.
- II. The processing methods for dealing with obstacles that may arise in video conference platforms or during participation in video conferencing due to natural disasters, incidents, or other force majeure events should include the following at a minimum:
 - (I) The issue of the pre-opening barrier remained unresolved, leading to the necessity of either postponing or proceeding with the meeting, as well as determining the date for the postponed or continued gathering.
 - (II) Shareholders who have not registered to participate in the original Shareholders' meeting held by means of visual communication shall not participate in the postponement or reconvening of the meeting.
 - (III) If a video-assisted Shareholders' Meeting is convened but the meeting held by means of visual communication cannot be continued, and the total number of shares of Shareholders present at the Shareholders' Meeting, after deducting the number of shares of Shareholders present at the Shareholders' Meeting held by means of visual

communication, reaches the statutory quota for the meeting, the Shareholders' Meeting shall continue to proceed, and the number of shares of the Shareholders who participate in the meeting held by means of visual communication shall be counted towards the total number of shares of the Shareholders in attendance. All resolutions of the said Shareholders' Meeting shall be deemed to be abstained.

- (IV) The handling method of the circumstances in which all the proposals have been announced and no extemporary motion has been made.
- III. If a Shareholders' Meeting is held by means of visual communication, the appropriate alternative measures provided for Shareholders who have difficulty in participating in Shareholders' Meeting held by means of visual communication shall be specified.

Article 7.

If the shareholder's meeting is convened by the Board of Directors, then the chairperson shall be acted upon by the chairman. If the chairman asks for leave or cannot execute his duty, vice chairman comes for replacement. If there is no vice chairman or the vice chairman asks for leave or cannot execute his duty, the chairman can designate one executive director as replacement; if there is no executive director, the chairman can designate one director as replacement; if the chairman does not designate, the executive director or director will recommend one as replacement.

If the above mentioned chairperson is to be acted upon by executive director or director as replacement, it shall be an executive director or director working at the position for more than six months, and who has obtained full understanding of the financial status of the Company. It is the same case when the chairperson is representative of legal person director.

The shareholders' meeting convened by Board of Directors is better to be chaired by the chairman himself and attended by more than half of all directors and one representative from various functional committees, and the attendance has to be recorded in the minute book.

If a shareholders' meeting is convened by a convener other than the Board of Directors, the convener shall be the chairperson of the shareholders' meeting. If the convener is more than two, one of them shall be recommended as the chairman.

The Company shall designate the entrusted lawyer, CPA or relevant personnel to attend the shareholders' meeting as a nonvoting delegate.

Article 8.

The Company shall conduct continuous taping or video recording of the shareholders report process, meeting process, voting and counting process.

The above audio-visual data has to be kept 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.

If the Shareholders' Meeting is held by means of visual communication, the Company shall record and keep the information on registration, registration, registration, questioning, voting and voting results of the Shareholders, and make continuous and uninterrupted audio and video recordings of the entire video conference.

The aforementioned information and audio and video recordings shall be duly kept by the Company for the duration of the existence of the Company and shall be made available to the persons entrusted with the conduct of the video conference for custody.

If the Shareholders' Meeting is held by means of visual communication, the Company shall make audio and video recordings of the backend operating interface of the video conference platform.

Article 9.

The attendance at shareholders' meeting shall take shares as the calculation basis. The number of shares present shall be calculated by addition of the number of shares registered in the attendance list for sign-in or submitted sign-in card and video conferencing platform, and the number of shares exercising voting rights in writing or by electronic means.

When the time of a meeting has arrived, the Chairman shall announce the commencement of the meeting and at the same time the number of non-voting rights and the number of shares present at the meeting and other relevant information. However, if no shareholders representing more than half of the total number of issued shares are present, the Chairman may announce a postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If there are still not enough Shareholders representing more than one-third of the total number of issued shares present after two rounds of postponement, the Chairman shall announce adjournment of the meeting; if the Shareholders' Meeting is held by means of visual communication, the Company shall also announce the adjournment of the meeting on the video conferencing platform of the Shareholders' Meeting.

If the quorum is still not present after two rounds of the postponement as stipulated in the foregoing but Shareholders representing more than one-third of the total number of issued shares are present, a tentative resolution may be made in accordance with the provisions of Article 175, Item 1 of the Company Act, and each shareholder shall be notified of the said tentative resolution to resume a Shareholders' Meeting within one month. If the Shareholders' Meeting is held by means of visual communication, the Shareholders who wish to attend by means of visual communication shall re-register with the Company in accordance with Article 6.

Before closing the meeting, if the meeting is attended by shareholders holding more than half of all issued shares, the chairperson will take it as false resolution and re-apply to the shareholders' meeting for resolution according to provisions of Article 174 of the Company Act.

Article 10.

If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. All the relevant proposals (including Extempore Motions and amendments to the original proposal) shall be voted on a case-by-case basis. The meeting shall be conducted in accordance with the scheduled agenda, and shall not be changed without a resolution of the Shareholders' Meeting.

If the shareholders' meeting is convened by person other than the Board of Directors who has the right to convene, then the above provisions shall prevail.

The chair is not allowed to adjourn any agenda items scheduled before the conclusion of the meeting, including ad hoc motions, without a resolution. If the chair violates the rules of procedure and adjourns the meeting, other board members should promptly assist the shareholders in following the legal procedures to elect a new chair with the consent of more than half of the voting rights of the shareholders, and 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 arrange adequate voting time.

Article 11.

Before speaking at the shareholders' meeting, it is necessary to complete a speech slip that includes the purpose of the speech, the shareholder's account number (or attendance certificate number), and the account holder's name. The speaking order will be determined by the chairman.

Shareholders who only submit speech note without making the speech will be deemed as no speech. If the speech content and record in speech note are not consistent, the former shall prevail.

For the same motion, with the permission from the chairperson, every shareholder can only deliver a speech for two times at most for not more than five minutes per speech. Only when the shareholders' speech go against provisions or out of the agenda scope, will the chairperson stop the speech.

When the attending shareholder is making a speech, other shareholders shall not voice to interfere unless permission from the chairperson and shareholder making the speech is obtained; the chairperson shall stop violators.

If legal person shareholder designates more than two representatives to attend the shareholders' meeting, for the same motion only one person shall be recommended to speak.

After the attending shareholders' speech, the chairperson shall reply in person or designate relevant personnel for the same.

If the Shareholders' Meeting is by means of visual communication, the Shareholders participating by means of visual communication may, after the Chairman announces the commencement of the meeting and before the adjournment of the meeting, ask questions by text on the video conferencing platform of the Shareholders' Meeting. The number of questions for each proposal shall not exceed two times, each time being limited to 200 words, and the provisions of Items 1 to 5 shall not apply.

If the foregoing question does not violate the regulations or does not fall outside the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the Shareholders' Meeting for information.

Article 12.

The decision by vote at the shareholders' meeting shall take the shares as the calculation basis.

For the resolutions at the shareholders' meeting, the number of shares of shareholders with no voting power shall not be included into the total number of issued shares.

If shareholders have bearing on the meeting matters, or their stake can lead to damage of the Company's interest, they shall not join the voting or act on behalf of other shareholders in executing the voting power.

The number of shares with no voting power shall not be included into the number of voting power of attending shareholders.

If one person is entrusted by more than two shareholders at the same time, the voting power shall not exceed 3% of the total voting power of issued shares except for agencies approved by authorities in trust business or securities; otherwise the voting power over the limit will not be calculated.

Article 13.

Shareholders have one voting power for every share; however, those limited or without voting power according to paragraph 2 of Article 179 of the Company Act are not subject to the provision.

When the Company holds a Shareholders' Meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. 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 amendment to extempore motion and original motion by the shareholders' meeting shall be deemed as waiver. Therefore, the Company will avoid raising amendment.

The intention expression of those executing voting power in written or electronic form shall be delivered to the Company two days before convention of shareholders' meeting. When there is repetition, whichever arrives earliest shall prevail. However, announcement of revoking the previous intention expression is not subject to this provision.

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 or by means of visual communication, 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, two days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If shareholders execute the voting power in written or electronic form or entrust agent to attend the shareholders' meeting, the voting power executed by the entrusted agent shall prevail.

The decision by vote upon motion shall only be approved by the consent of more than half of the voting power of the shareholders present., unless otherwise stipulated by Company Act or the Articles of Association of the Company. In deciding by vote, the chairperson or the personnel designated by the chairperson shall announce the total number of voting power of the attending shareholders for one case after another, and then shareholders shall vote for decision. And on the same day of convening the meeting, the results of shareholders' permission, objection or waiver shall be entered into the open information observation station.

If there is amendment proposal or substitution proposal for the same motion, the chairperson shall determine the order of decision by vote. If one bill is passed, the others will be deemed as vetoed without the need for decision by vote.

The supervising and counting personnel for decision by vote shall be designated by the chairperson, but the supervising personnel cannot be shareholders.

The counting for decision by vote or selection of motion at shareholders' meeting shall be carried out in open place within the venue. After completion of counting, the voting result shall be announced on the spot, including the statistical number of voting power for record.

When the Company convenes a Shareholders' Meeting by means of visual communication, after the Chairman announces the commencement of the meeting, Shareholders attending the meeting by means of visual communication shall cast votes on proposals and elections on the video conferencing platform before the Chairman announces the voting session ends or shall be deemed abstained from voting.

If a Shareholders' Meeting is held by means of visual communication, after the Chairman announces the voting session ends, the votes shall be counted in one go and the results of the voting and election shall be announced.

When the Company convenes a video-assisted Shareholders' Meeting, if a Shareholder who has registered to attend the Shareholders' Meeting by means of visual communication in accordance with the provisions of Article 6 intends to attend the physical Shareholders' Meeting in person, the registration shall be retracted in the same manner as the registration two days prior to the Shareholders' Meeting. If the registration is cancelled after that time, the Shareholder may only attend the Shareholders' Meeting by means of visual communication.

Shareholders who have exercised their voting rights by correspondence or electronic means, has not withdrawn their declaration of intent and participate in the Shareholders' Meeting by means of visual communication shall not exercise their voting rights in respect of the original proposal or propose amendments to the original proposal or exercise their voting rights in respect of the amendment to the original proposal except in the case of a extemporary motion.

Article 14.

When there is an election of directors at the shareholders' meeting, it should be conducted in accordance with the relevant appointment regulations of this company. The election results, including the list of elected directors and their voting rights, as well as the list of unsuccessful directors and their obtained voting rights, should be announced on the spot.

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

Article 15.

The resolution matters at shareholders' meeting shall be prepared into minute book to be signed or stamped by the chairperson and then distributed to shareholders within 20 days after the meeting. The preparation and distribution of minute book shall be in electronic form.

The Company shall distribute the above minute book in the form of announcement that is entered into the open information observation station.

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, a summary of the deliberations and their voting results (including vote counts) and where there is an election of Directors, the approval votes of each candidate shall be disclosed and shall be retained for the duration of the existence of the Company.

Where a Shareholders' Meeting is convened by means of visual communication, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders' Meeting, how the meeting is convened, the name of the Chairman and secretary, and actions to be taken in the event of disruption to the video conferencing platform or participation in the meeting by means of visual communication due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a Shareholders' Meeting by means of visual communication, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to Shareholders with difficulties in attending a Shareholders' Meeting by means of visual communication.

Article 16.

The company will compile the number of shares solicited, the number of shares represented by the proxy, and the number of shares attended by shareholders in writing or electronically into a statistical table in the prescribed format on the day of the shareholders' meeting. This information will be clearly disclosed at the meeting venue. If the shareholders' meeting is conducted via video conference, the company will upload the aforementioned information to the shareholders' meeting video conference platform at least thirty minutes before the start of the meeting and continue to disclose it until the end of the meeting.

During the Company's Shareholders Meeting by means of visual communication, when the meeting is announced to commence, the total number of shares represented at the meeting shall be disclosed on the video conferencing platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

The resolutions of the shareholders' meeting, if they involve significant information as stipulated by laws and regulations or the Taiwan Stock Exchange Corporation (Taiwan Securities and Exchange Market Foundation), shall be submitted to the Public Information Observation Station within the specified time frame by the Company.

Article 17.

The meeting staff for preparing shareholders' meeting shall wear identification certificate or armband.

The chairperson shall instruct the provost officers or security staff to maintain order. When the provost officers or security staff are maintaining order at the venue, they shall wear the armband with "provost officer" or identification certificate.

If the venue is equipped with loud-speaking equipment, the chairperson shall stop it when shareholders are using the equipment not allocated by the Company for speech.

If shareholders violate the proceedings rules, disobey the requirement for correction of the chairperson, interfere with the meeting, and refuse to stop after warnings, the chairperson shall instruct provost officers or security staff to guide them out of the venue.

Article 18.

During the meeting, the chairperson can at his own discretion announce adjournment; in the case of any events of force majeure, the chairperson can decide to suspend the meeting temporarily and announce the time for continuing with meeting depending on the circumstances.

The venue for the meeting may be changed if it cannot continue to be used until the agenda set by the shareholders' meeting (including ad hoc motions) is completed. The shareholders' meeting may choose to relocate the meeting to another venue.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, decide to postpone or renew the meeting within five days.

Article 19.

For video conference shareholders' meetings, the company must promptly disclose the voting and election results of each proposal on the video conference platform after the voting is completed, in accordance with the regulations. This disclosure must continue for at least fifteen minutes after the chairman announces the adjournment of the meeting.

Article 20.

During the shareholders' video meeting, both the chairman and the recorder must be physically present in the same country. Additionally, the chairman should announce the meeting location address at the start of the meeting.

Article 21.

For video conference shareholders' meetings, the company may offer a simple connection test to shareholders prior to the meeting and provide real-time technical support during both the pre-meeting and the meeting itself to address any communication issues.

In the event of a Shareholders' Meeting by means of visual communication, when announcing the commencement of the meeting, the Chairman shall also announce, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conferencing platform or participation by means of visual communication is obstructed due to natural disasters, accidents or other force majeure events before the Chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, Shareholders who have not registered to participate in the affected Shareholders' Meeting by means of visual communication shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the Shareholders who have registered to participate in the affected Shareholders' Meeting by means of visual communication and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected Shareholders' Meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a Shareholders' Meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and the results or list of elected Directors and Supervisors has/have been announced.

When the Company convenes a video-assisted Shareholders' Meeting, and the video conference cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by Shareholders attending the Shareholders' Meeting by means of visual communication, still meets the minimum legal requirement for a Shareholder Meeting, then the Shareholders' Meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the number of shares represented by Shareholders attending the Shareholders' Meeting by means of visual communication shall be counted towards the total number of shares represented by Shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that Shareholders' Meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the Shareholders' Meeting that is postponed or resumed under the second paragraph.

Article 22.

These rules shall come into force upon approval of the board of shareholders and the same shall apply for amendment.

Appendix IV Rules for Election of Directors

Article 1.

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

Article 2.

Unless otherwise provided by the laws and regulations or Articles of Association, election of the Company's directors shall be in accordance with these Rules.

Article 3.

The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be considered in a diversified manner, and appropriate diversification policies shall be formulated regarding its own operation, operational type, and development needs, including but not limited to the following two main aspects:

- I. Basic Conditions and Values: Gender, Age, Nationality and Culture, etc.
- II. Professional Knowledge and Skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

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

- I. Judgment ability
- II. Accounting and Financial Analysis Ability
- III. Operation and management capabilities.
- IV. Crisis management capabilities.
- V. Industry knowledge.
- VI. International market outlook.
- VII. Leadership capability.
- VIII. Decision-making capacity.

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

Article 4.

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

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5.

Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee Directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified Directors will be elected.

When the number of Directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of Directors falls short by one third of the total number prescribed in the Company's

Articles of Association, the Company shall call a extraordinary Shareholders Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent Directors falls below that required by paragraph 1, Article 14-2 of the Securities and Exchange Act and relevant regulations of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. When the independent Directors are dismissed en masse, an extraordinary general meeting shall be called within 60 days from the date of occurrence to hold a by-election.

When the number of independent Directors falls below that prescribed in the company's Articles of Incorporation due to the dismissal of an independent Director for any reason, a supplemental election to fill the vacancy should ideally be held at the next shareholders' meeting. When the independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a supplemental election to fill the vacancies.

Article 6.

The Company shall adopt a cumulative voting method where one share shall have the same voting rights as the number of directors to be elected, and the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates.

Article 7.

The Board of Directors shall prepare ballots in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8.

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

Article 9.

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

Article 10.

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

Article 11.

A ballot is invalid under any of the following circumstances:

- I. A ballot was not prepared by the Board of Directors.
- II. Those who put blank ballots into the ballot box.

- III. The handwriting is illegible or has not altered.
- IV. If the electee filled in the voting ballot is a shareholder, the account name and shareholder account number are not consistent with the Shareholder Register; if the electee filled in the voting ballot is not a shareholder, the name and uniform ID Card No. do not match after verification.
- V. In addition to filling in the Shareholder Account No., account name and the number of voting rights allocated to the elected person, and inserting other words.
- VI. The name of a candidate entered into the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12.

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or independent directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 13.

The Board of Directors of the Company shall issue notifications to the persons elected as Directors.

Article 14.

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix V Directors' Shareholding Status

The shareholding situation of all directors of the Company

As of the record date of this shareholders' meeting (April 20, 2024), the shareholder register of our company indicates the following shareholdings of the directors:

Job Title	Name	Current holding of shares	
		Number of shares	Shareholding ratio
Chairman of the Board	Shih Jui-Pin	1,102,238	0.72%
Vice Chairman	Tsai Cheng-Fu	4,378,238	2.86%
Directors	Cheng Li-Ping	3,447,193	2.26%
Directors	Shih Jui-Lin (Representative of Pearl Place Holdings Limited)	28,503,024	18.65%
Directors	Chen Yen-Fu	17,908	0.01%
Directors	Huang Qing-Shu (Representative of Tuck Giant Enterprise Ltd.)	2,561,568	1.68%
Independent director	Chi Lai-Ping	0	0.00%
Independent director	Chen Ming-Chang	0	0.00%
Independent director	Lin Chih-Lung	0	0.00%
Independent director	Hsu Shih-Wen	0	0.00%

Note 1: As of the record date of this shareholders' regular meeting (April 20, 2024), the total issued shares of our company are 152,821,721 shares.

Note 2: The directors of the company are legally required to hold a total of 9,169,303 shares. 40,010,169 shares held as of the closing date of the Annual Shareholders' Meeting (April 20, 2024).

Note 3: The shareholding of independent directors is not included in the total shareholding of all the directors mentioned above.

Note 4: The company has established an Audit Committee; therefore, the requirement for statutory shareholders does not apply.