

FIFTEENTH AMENDED AND RESTATED  
MEMORANDUM AND ARTICLES OF ASSOCIATION  
OF  
**Lemtech Holdings Co., Limited**

(as adopted by a Special Resolution passed on 28 May, 2025)



# Memorandum and Articles of Association

THE COMPANIES ACT (REVISED)  
COMPANY LIMITED BY SHARES

## **FIFTEENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION** **OF Lemtech Holdings Co., Limited**

(as adopted by a Special Resolution passed on 28 May, 2025)

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1. The name of the company is Lemtech Holdings Co., Limited.
2. (1) The registered office of the Company shall be at the offices of Asia Leading Corporate Services (Cayman) Limited., Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006 Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.  
(2) The Company may set up branch offices as deemed necessary for its business operations.  
(3) The establishment, dissolution and change of status of branches as referred to in the preceding paragraph shall be decided by the Board from time to time.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum of Association, 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 Section 27(2) of the Companies Law of the Cayman Islands (as amended from time to time).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licenced.
6. The Company shall 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 clause 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 share capital of the Company is NT\$1,000,000,000 divided into 100,000,000 shares of a nominal or par value of NT\$10 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.

The Company may invest in other enterprises as deemed necessary for its business operations, and may, upon the approval of the Board, act as a shareholder with limited liability of another company, and its total amount of investments in other enterprises may exceed 40% of the amount of its own paid-up capital without being subject to the requirement set out in Paragraph 2, Article 13 of Company Act of the R.O.C..



THE COMPANIES ACT (REVISED)

COMPANY LIMITED BY SHARES

**FIFTEENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF Lemtech Holdings Co., Limited**

(as adopted by a Special Resolution passed on 28 May, 2025)

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**INTERPRETATION**

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies act (revised) of the Cayman Islands (as amended from time to time) shall not apply to this Company.
2. (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules

the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Securities and Exchange Act of the R.O.C., Company Act of the R.O.C., the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area of the R.O.C., or any similar statute and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Taipei Exchange or the Taiwan Stock Exchange;

Articles

these Articles of Association of the Company, as amended or substituted from time to time by Special Resolution;

Audit Committee

has the meaning set forth in Article 69;

Remuneration Committee

has the meaning set forth in Article 65-1;

Board

the board of Directors of the Company comprising all the Directors;



Business Day	means a day (other than a Saturday or Sunday) on which banks are generally open in Taiwan for normal business;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 63;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company;
Commission	Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	Lemtech Holdings Co., Limited;
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company for the time being who collectively form the Board, and "Directors" means 2 or more of them;
Electronic	has the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;
Electronic Communication	means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;



Emerging Market	the emerging market board of the Taipei Exchange in the R.O.C.;
Financial Statements	has the meaning set out in Article 98;
Taipei Exchange or TPEx	the Taipei Exchange in the R.O.C.;
Independent Director	those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules;
Juristic Person	a firm, corporation, union, association, government agency or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies act (revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber and "Members" or "Shareholders" means 2 or more of them;
Memorandum of Association	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such company as the surviving company within the meaning of the Law;



Month	a calendar month;
NT\$	New Taiwan Dollars;
Ordinary Resolution	a resolution passed by a simple majority of the Members present at a general meeting who represent more than one-half of the total outstanding Shares of the Company;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Preferred Shareholders	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private placement	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private placement	an offer by the Company of its securities to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company to be maintained at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company registered in the Emerging Market or first become listed on the TPEx, TWSE or any Taiwan stock exchange or securities market to and including the date



	immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
R. O. C. Laws	the laws and regulations of the R.O.C., including without limitation to the Applicable Listing Rules;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Exchange	means that the Company transfers all its issued shares to another company in exchange for shares, cash or other assets of the other company as the consideration for shareholders of the Company;
Share Premium Account	the share premium account established in accordance with these Articles and the Law;
Shareholders' Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules, to the Company;



signed	includes representation of a signature affixed by mechanical means or an electronic symbol or process;
Special Reserve	has the meaning set out in Article 91;
Special Resolution	a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds of Members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and such general meeting attended by the Members representing more than one-half of the outstanding shares of the Company.
	A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;
Subordinate Company	companies (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (iii) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and the Company are held by the same Members; and



- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires:
  - (a) words importing the singular number shall include the plural number and vice-versa;
  - (b) words importing the masculine gender shall include the feminine gender and neuter genders;
  - (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
  - (d) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

## SHARES

- 3. Subject to the Law and these Articles, the Board may, in respect of all Shares for the time being unissued:
  - (1) offer, issue, allot and dispose of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
  - (2) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and the Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
- 3-1. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by Directors.
- 4. The Company, subject to these Articles including by approval of a Special Resolution adopted at a general meeting in accordance with Article 5, may issue Shares of different classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company ("Preferred Shares") with the approval of a majority of the Board present at a meeting attended by two-thirds or more of the total number of the Directors.



5. The issuance of any Preferred Shares approved pursuant to the preceding Article shall cause to be set forth in these Articles. The rights and obligations of the Preferred Shares include but are not limited to the following terms:

- (a) The dividend rate of Preferred Shares is capped at 8% per annum on the issue price per share. Cash dividends shall be distributed annually at one time. Once the Company's audited financial reports have been acknowledged in the annual general meeting, the Board of Directors shall set the record date for the distribution of Preferred Dividends of such financial year. In the year of issuance and redemption of the Preferred Shares, the distribution of Preferred Dividends shall be calculated on the basis of actual number of days the Preferred Shares being outstanding in that year. Except for the foregoing Preferred Dividends, the holders of the Preferred Shares ("Preferred Shareholders") are not entitled to participate in the distribution of cash or stock dividends derived from earnings or capital reserves;
- (b) The Company has sole discretion on the distribution of Preferred Dividends. In the event that there are no profits or insufficient profits for distributing Preferred Dividends, or due to other necessary considerations, the suspension of distributing Preferred Dividends shall not be deemed as an event of default under any agreements and directions in relation to the issuance of such Preferred Shares. The Preferred Shares issued by the Company shall be non-cumulative preferred shares. Any undistributed Preferred Dividends or shortfalls in Preferred Dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings;
- (c) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, any surplus assets of the Company available for distribution to shareholders shall be first distributed to the Preferred Shareholders. All Preferred Shareholders shall rank pari passu and such distribution shall be capped at the respective issue amount;
- (d) The Preferred Shareholders shall have no voting rights and no rights to vote on election of directors in a general meeting. Notwithstanding the foregoing, the Preferred Shareholders shall have voting rights in a separate meeting of the Preferred Shares in accordance with Article 15;
- (e) Preferred Shares are not convertible to common shares. Preferred Shareholders have no right to request the Company to redeem the preferred shares they hold; and
- (f) Preferred Shares have no maturity date. Notwithstanding the foregoing, subject to compliance with the Companies Law, the Company may, upon the approval by the Board of Directors, redeem all or a part of the outstanding issued Preferred Shares, at any time on the next business day after five years of issuance, at the original issue price and on such terms as the Board of Directors may approve. The rights and obligations set



forth in the foregoing paragraphs shall remain unchanged to the unredeemed Preferred Shareholders.

5-1 The Board of Directors is authorized to determine the name, issuance date and specific issuance terms of Preferred Shares upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles, applicable public company rules, Companies Law and other applicable laws and regulations.

6.(1) The issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company. The Company shall not issue any unpaid Shares or partial paid-up Shares.

(2) If the Company issues par value shares, they may not be converted into no-par value shares; similarly, if the Company issues no-par value shares, they may not be converted into par value shares.

7. The Company may issue Shares without printing share certificates. Any share certificate of the Company, if any, shall not be the bearer certificate.

8. During the Relevant Period, if at anytime the Board resolves to issue new Shares :

(a) Upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the employees of the Company and its subsidiaries, as determined by the Board in its reasonable discretion;

(b) The Company, unless otherwise resolved by Ordinary Resolution, shall after reserving the portion of Shares for subscription by its employees and for public offering in the R.O.C. pursuant to these Articles, first offer such remaining new Shares, by a public announcement according to the Applicable Listing Rules and a written notice to each existing Member for their subscription in proportion to the number of Shares held by it;

(c) The Company shall state in such written notice that if a subscriber delays payment for shares as provided in the preceding paragraph, the Company shall fix a period of not shorter than one month and call upon such subscriber to pay up, declaring that in case of default of payment within the stipulated period his right shall be forfeited. After the Company has made the aforesaid call, the subscriber who fails to pay accordingly shall forfeit his right and the shares subscribed to by him shall be otherwise sold. The Company may still be claimed against such defaulting subscriber for compensation for loss or damage, if any;

(d) Where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint



subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;

(e) New Shares left unsubscribed by existing Members may be offered for public issuance or the Board may be authorised to offer such Shares for subscription by specific Persons through negotiation; and

(f) The right to subscribe for new Shares, except those reserved for subscription by employees, may be separated from the rights in original Shares and transferable independently.

9. The employees' and Members' right to subscribe for new Shares prescribed under the preceding Article shall not apply in the event that new Shares are issued for the following purpose:

- (a) in connection with a Merger/Consolidation, the Spin-off of the Company, or pursuant to any reorganization of the Company;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the employees;
- (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
- (d) in connection with meeting the Company's obligation under Share subscription warrant or Preferred Shares vested with rights to acquire Shares;
- (e) in connection with any Share Exchange entered into by the Company, or
- (f) in connection with any other limitation, prohibition, restriction or exemption under the Applicable Listing Rules or R. O. C. Laws.

9-1. Subject to the regulations governing public companies and the Cayman Companies Act, the Company may, by a special resolution of the shareholders' meeting, issue new shares with restricted employee rights (hereinafter referred to as "Restricted Stock") to employees of the Company and its subsidiaries. The conditions for issuing Restricted Stock, including but not limited to the number of shares, issue price, issuance conditions, and other related matters, shall comply with public company regulations. If an employee fails to meet the vesting conditions specified in the issuance plan, the Company may repurchase the issued Restricted Stock in accordance with Article 19.

10. During the Relevant Period, where the Company increases its issued share capital in cash, the Company shall allocate 10% of the total amount of the new Shares to be issued for offering in the R.O.C. to the public unless the Commission, or the TPEx or the TWSE considers the aforementioned public offering unnecessary or inappropriate for the Company to conduct. Provided however, if a percentage higher than the aforementioned 10% is approved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.



11. Subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution by a majority of the Board present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription right agreement with its employees whereby the employees may subscribe, within a specific period of time, for a specific number of Shares of the Company. Upon execution of the said agreement, the Company shall issue to each employee a share subscription warrant. The share subscription warrant obtained by any employee of the Company shall be non-assignable, except to the heir(s) of the said employee.
12. (1) The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules. During the Relevant Period, a capital reduction shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Listing Rules.  
(2) The Company shall, upon adoption of such resolution of capital reduction, prepare a balance sheet and an inventory of property, and then give a notice to each creditor of the Company as well as a public notice of such resolution, and shall fix a time limit of not less than thirty (30) days within which the creditors may raise their objections, if any, to such resolution.  
(3) The Company may reduce its share capital by using property, in addition to cash, to return capital contributions; the returned property and the offsettable amount for the returned property shall be decided by Ordinary Resolution, and approved by the Member(s) receiving such Property.  
(4) During the Relevant Period, the Board shall have the value of the returned property and the offsettable amount referred to in the preceding paragraph audited and certified by a certified public accountant in Taiwan prior to the general meeting.
13. During the Relevant Period, any issuance, conversion, capitalisation or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds) shall comply with the Applicable Listing Rules and the Law.
14. During the Relevant Period, the shareholder services of the Company should comply with the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C.

## **MODIFICATION OF RIGHTS**

15. Whenever the share capital of the Company is divided into different classes of shares, including where Preferred Shares are issued, in addition to a Special Resolution, the special rights attached to any class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of such class.



To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply.

16. 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 materially adversely varied or abrogated by, inter alia, the creation, allotment or issue of further Shares ranking pari passu with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

### **REGISTERS**

17. The Board shall cause to be kept the Register and, during the Relevant Period, there shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and the Register shall be made available at its Shareholders' Service Agent's office in the R.O.C.

### **DELIVERY OF SHARES**

18. (1) During the Relevant Period, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver Shares by book-entry transfer to the subscribers within thirty (30) days from the date such Shares may be issued or delivered pursuant to the Law and the Applicable Listing Rules. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) For the new Shares to be issued by the Company, the Company may print a consolidated share certificate representing the total number of the new Shares to be issued at the same time of issue, in accordance with the Law, provided that the share certificate to be issued shall be placed under the custody of a centralized securities custody enterprise.

### **REPURCHASE OF SHARES**

19. (1) Upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares in the manner authorised by the Law and the Applicable Listing Rules. (including Restricted Stock and redeemable shares.) Any Shares so repurchased shall be deemed cancelled immediately.
- (2) The conditions, methods and procedures for repurchase of Shares by the Company according to the preceding Article shall comply with the Law and the Applicable Listing Rules.



## TREASURY SHARES

- 19-1. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TWSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.
- 19-2. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
- 19-3. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Subject to these Articles, every share certificate representing a redeemable share shall indicate that the share is redeemable.
- 19-4. Subject to the Applicable Listing Rules and Articles, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share in the Company (including a redeemable share) by agreement with the Shareholder or pursuant to the terms of the issue of the share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules and the Ordinary Resolution authorizing the manner and terms of purchase.
- 19-5. The redemption price or repurchase price may be paid in any manner authorised by the Law and these Articles. A delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) 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 Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 19-6. The Company shall be entered into the Register 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) 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 these Articles or the Law.



## **FRACTIONAL SHARES**

19-7 Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

## **TRANSFER AND TRANSMISSION OF SHARES**

20. (1) Subject to the Law and the Applicable Listing Rules, Shares issued by the Company shall be freely transferable, provided that any Share subscribed by the employees of the Company may be subject to transfer restrictions for the period no longer than two years as the Board may determine in their discretion.

(2) The Company may restrict its employees from transferring the Shares purchased by the Company and transferred to such employees for a specific period of time, but in no event shall such period exceed two (2) years.

(3) The issuance of restricted Shares to employees by the Company shall be approved by one-half of the Members who are entitled to vote, at a general meeting attended by at least two-thirds of the total issued and outstanding Shares of the Company. In the event that the total number of shares present at such general meeting is less than the quorum specified in the preceding sentence, such issuance may be approved by Special Resolution.

(4) In the event that the Company issues new Shares during the Relevant Period pursuant to the preceding paragraph, the number of Shares to be issued, the issuing price, the conditions of the issuance, and other related matters shall comply with the Applicable Listing Rules.

21. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register.

21-1. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.



## **CLOSING REGISTER OR FIXING RECORD DATE**

22. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notice(s) of, to attend at and to vote at any general meeting(s) (or any adjournment thereof) in person, by proxy, in writing or by way of electronic transmission; and (c) for any other reason needing to ascertain shareholders.

(2) During the Relevant Period, the Register shall be closed at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other interest distribution. For the purpose of calculating the abovementioned period, the respective convening date of general meeting or the applicable target date shall be included.

(3) With respect to the foregoing target dates, the Board shall make public announcement on the website designated by the Commission and the TPEx or TWSE.

## **GENERAL MEETINGS**

23. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year. The annual general meeting shall be convened by the Board. The shareholder's meeting may be held through a video conference or other methods promulgated by the competent authorities of The Company Act of the R.O.C..

24. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.

25. During the Relevant Period, all general meetings shall be held in the R.O.C.. If a general meeting is to be convened outside Taiwan per the resolution of the Board, the Company shall within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 26, after the relevant Shareholders obtained the approval from the competent authority, apply for the approval of the Taipei Exchange or the TWSE.

26. (1) Any Member(s) holding at least three percent (3%) of the outstanding Shares of the Company for a period of one consecutive year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may, after obtaining an approval from the competent authority, convene the general meeting.



(2) Any Member(s) holding more than one-half of the outstanding Shares of the Company for a period of three consecutive months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the time when share transfer registration is suspended.

27. (1) The Board or any authorized convener of the general meeting may require the Company or its Shareholders' Service Agent to provide the Register.

(2) The Company shall engage a Shareholders' Service Agent within the R.O.C. to handle the administration of such general meeting, including but not limited to, the voting matters.

#### **NOTICE OF GENERAL MEETING**

28. (1) At least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. Every notice shall be exclusive of the day on which it is given and of the day on which the general meeting is to be held. Such notice shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from each Member or as permitted by the Law and the Applicable Listing Rules.

(2) The meeting notices, proxy forms, information pertaining to the proposals for adoption or discussion, or for the election or dismissal of the Director(s), and other matters shall be published thirty (30) days prior to the date of the scheduled general meeting or fifteen (15) days prior to the date of the scheduled extraordinary general meeting.

(3) If the voting rights at the meeting will be exercised in writing, a printed copy of the materials referred to in the preceding paragraph and a printed ballot shall be delivered to the Members.

29. The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions; the major content may be posted on the website designated by the Commission, the TPEx or the TWSE or the Company, and such website shall be indicated in the above notice:

- (a) election or discharge of Directors;
- (b) amendments to the Memorandum of Association and/or these Articles;
- (c) capital reduction;
- (d) application for the approval of ceasing the Shares to be publicly offered;



(e) winding-up, Merger/Consolidation or Spin-off of the Company;  
(f) entering into, amendment to, or termination of any contract for lease, management by others, or regular joint operation with others of its business in whole;  
(g) the transfer of the whole or any material part of its business or assets; and  
(h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;  
(i) carrying out a Private placement of equity securities;  
(j) granting a waiver to the Director's non-competition obligation;  
(k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and  
(l) capitalization of the Legal Reserves and capitalization of the Capital Reserve of the Company, the Share Premium Account of the Company and/or the income from endowments received by the Company as Capital Reserve, by issuing new Shares or cash to

its existing Members in proportion to the number of Shares being held by each of them.

30. Except for matters prescribed in the preceding Article, a Member of the Company may raise a proposal for resolution as ad hoc motions at a general meeting, provided that the proposed ad hoc motion shall be limited to a matter directly related to the matters specified in the notice of such general meeting.
31. During the Relevant Period, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Members, and shall be made into electronic files, and published on the website designated by the Commission , the TPEx or the TWSE thirty (30) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.

#### **PROCEEDINGS AT GENERAL MEETING**

32. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. In case the general meeting proceeds via video conference, the shareholders taking part in such a meeting shall be deemed to have attended the meeting in person. Save as otherwise provided by these Articles, the Members representing more than one-half of all total outstanding Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.
33. (1) The Member(s) holding one percent (1%) or more of the total outstanding Shares of the Company may submit a proposal in writing or by way of electronic transmission for resolution at an annual general meeting; provided that only one matter shall be allowed in each proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.



(2) Prior to the relevant record date, the Company shall give a public notice announcing the place and the period for the Members to submit proposals; and the period for accepting such proposals shall not be less than ten (10) days.

(3) The number of words of a proposal to be submitted by a Member shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

(4) Unless any of the following circumstances is satisfied, the Board shall include the proposal submitted by a Member from the agenda:

- (a) Where the subject (the issue) of the said proposal cannot be settled or resolved by a general meeting;
- (b) Where the number of shares of the Company held by the proposing Member is less than one percent (1%) of the total outstanding Shares on the relevant record date; or
- (c) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting Members' proposals.
- (d) Where the said proposal containing more than 300 words or more than one matters in a single proposal.

(5) The proposal proposed pursuant to the preceding paragraph (1) for urging the Company to promote public interests or fulfil the Company's social responsibilities may still be included in the agenda by the Board.

(6) The Company shall, prior to sending the notice of the general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of general meeting the accepted proposals. With regard to the proposals submitted by Members but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board at such general meeting.

34. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.

35. If at any general meeting the Chairman is not present at the general meeting or is unwilling to act as chairman, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of such general meeting.



36. The Chairman of the general meeting may by Ordinary Resolution adjourn a general meeting from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.

37. At any general meeting, a proposal for resolution shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.

38. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter which has been presented for resolution by the Members at any general meeting shall be passed by an Ordinary Resolution.

38-1. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.

39. The Company may by a Special Resolution:

- (a) enter into, amend, or terminate any contract for lease, management by others, or regular joint operation with others of its business in whole;
- (b) transfer the whole or any material part of its business or assets;
- (c) acquire another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
- (e) effect any winding-up of the Company, merger/consolidation or Spin-off;
- (f) carry out a Private placement;
- (g) grant a waiver to the Directors' non-competition obligation;
- (h) change its name;
- (i) alter or amend the Memorandum of Association or these Articles;
- (j) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
- (k) appoint an inspector to examine the affairs of the Company under the Law; and
- (l) Share Exchange.

40. (1) In the event any of the resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article is adopted by general meeting, any Member who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the general meeting resolves



on the dissolution of the Company after the completion of transfer of business or assets under the paragraph (b) of the preceding Article. The abovementioned appraisal right shall be exercised in writing, stating therein the kinds and number of shares, within twenty (20) days after the adoption of resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article.

(2) In the event any part of the Company's business is involved in any consolidation or merger with another company (including Consolidation and Merger), acquisition or Share Exchange, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally with a record before or during the meeting, in accordance with the Law and these Articles, may request the Company to buy back all of his Shares at the then prevailing fair price in accordance with the Law. The Member filing a foresaid request shall make it in writing within a twenty (20) days period commencing from the resolution date, specify the price for buying back. In case an agreement on the price of buy-back Shares is reached between the Member and the Company, the Company shall pay for the shares within ninety (90) days from the date on which the resolution was adopted. In case no agreement is reached, the Company shall pay the fair price it has recognized to the Members that have not reached agreement with the Company within ninety (90) days from the date on which the resolution was adopted. If the Company did not pay, the Company shall be considered to be agreeable to the price requested by the Member. Where a Member who votes against or abstains from voting at shareholders' meeting requests the Company to buy all its Shares in accordance with the provisions of this paragraph, in case no agreement is reached within sixty (60) days since the resolution was made, the Company shall apply to the court and may choose Taiwan Taipei District Court as the court of first instance for a ruling on the fair price against all these dissenting Members as the opposing party within thirty(30) days after that duration.

(3) In case an agreement on the price of shares is reached between the shareholder and the company, the company shall pay for the shares within ninety days from the date on which the resolution was adopted. Without prejudice to the Law, in the event the Company fails to reach such agreement with the Member within a sixty (60) day period commencing from the resolution date, the Member may, within thirty (30) days after such sixty day (60) period, file a petition to Taiwan Taipei District Court for a ruling on the appraisal price.

(4) The number of shares abstaining from voting rights is not included in the number of voting rights of shareholders present.



41. A plan of Merger or Consolidation involving the Company shall be authorised by each constituent company by-

- (a) a Members' resolution by majority in number representing seventy-five per cent in value of the Members voting together as one class; and
- (b) if the shares to be issued to each Member in the consolidated or surviving company are to have the same rights and economic value as the shares held in the constituent company, a Special Resolution of the Members voting together as one class, and in either case a Member shall have the right to vote regardless of whether the Shares that he holds otherwise give him voting rights.

41-1. If the trading of shares listed on TWSE is terminated as a result of a Merger/Consolidation in which the company will dissolve, general transfer, share swap or Spin-off and the shares of the surviving company in the Merger/Consolidation, the transferee company in the general assumption or the existing company or newly-incorporated company in the share swap or Spin-off will not be listed on TPEx or TWSE, the resolution of the general meeting shall be adopted by two-thirds or more of the votes of the shareholders who represent the total number of issued shares of the Company.

42. In case the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court or the competent court in Cayman Islands, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

## **VOTES OF MEMBERS**

43. Subject to any rights and restrictions for the time being attached to any Share, every Member who is present in person (or in the case of a Member being a corporation, by its duly authorised representative) and every Person representing a Member by proxy shall have one vote for each Share.

44. (1) In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers.

(2) If a Member holds Shares for others, such Member may advocate to exercise the voting rights separately.

(3) The eligibility criteria, scope of application, manner of exercise, operating procedures, and other matters relating to the separate exercise of voting rights pursuant to the preceding paragraph shall comply with the Applicable Listing Rules during the Relevant Period.



45. (1) No vote may be exercised with respect to any of the following Shares:

- (a) the Shares held by any Subordinate Companies, of which a majority of the total outstanding voting shares or the total amount of capital stock are held by the Company; or
- (b) the Shares held by other companies, of which a majority of the total outstanding voting shares or the total amount of the capital stock are held by the Company and its holding/Subordinate Companies; or
- (c) the share(s) of a company that are held by the issuing company itself in accordance with the laws.

(2) Subject to the Law and these Articles, the Shares held by any Member having no voting rights shall not be counted in the total number of the outstanding Shares while adopting a resolution at a general meeting.

(3) A Member cannot exercise his own vote or by proxy on behalf of another Member in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. Such Shares shall not be counted in determining the number of votes of the Members present at the said meeting.

46. To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission. The way of electronic transmission shall be one of the voting methods at the general meeting.

47. If a written instrument or electronic transmission for voting is proposed to be used, the relevant methods and procedures will be specified in the notice of that meeting and complied with by such Members. A Member who exercises his votes in writing or by way of electronic transmission shall be counted towards the quorum, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting.

47-1. A Shareholder shall deliver his declaration about the votes in writing or by way of electronic transmission to the Company no later than 2 days prior to the scheduled meeting date of the general meeting; whereas if two or more declarations are delivered to the Company, the first declaration shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

48. Subject to Article 54, in case a Member who has casted his votes in writing or by way of electronic transmission intends to attend the general meeting in person, he shall, at least 2 days prior to the meeting, revoke his previous votes by serving a separate notice in the same manner as such Member casted his votes. In the absence of a timely revocation of the previous declaration of intention, the votes exercised in writing or by way of electronic transmission shall prevail.



49. For the avoidance of doubt, a Shareholder who exercises his voting power as set forth in Articles 46, 47, 48 and 54 in accordance with the R.O.C. Laws and these Articles shall be deemed to have attended and voted in person at the general meeting for the purposes of these Articles and the Law.
50. The proceedings regarding the general meeting and the voting in the general meeting not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of Members from time to time, which shall be in compliance with the Law, the Applicable Listing Rules and the Rules Governing the Conduct of Shareholders Meetings by Public Companies.

## PROXY

51. A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
52. A Member may only execute one proxy form and appoint one proxy for each general meeting and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two or more written proxies from one Member, the first one received by the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the meeting date.
53. Where a Member has served a proxy and intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, a proxy revocation notice shall be made to the Company at least two (2) days prior to the scheduled date of the general meeting; otherwise, the voting power exercised by the appointed proxy at the meeting shall prevail.
54. In case a Member has exercised his voting power in writing or by way of electronic transmission in accordance with Article 48, and has also authorized a proxy to attend the general meeting on his behalf, then the voting power exercised by the authorized proxy for the said Member shall prevail.
55. The instrument appointing a proxy shall be expressed to be for a particular meeting only. Instruments of proxy shall be in the form approved by the Company and will 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, the proxy, and proxy solicitor (if any). To the extent permitted by the Law, the form of proxy instrument shall be provided together with the



notice for the relevant general meeting, either through post or by electronic transmission, as the case maybe, to all Members on the same day.

56. Except for trust enterprises duly licensed under the Applicable Listing Rules or Shareholders' Service Agencies approved by the R.O.C. competent authorities, where a Person acts as the proxy for two or more Members, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.
- 56-1. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TWSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the TPEx or the TWSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).
57. The use of proxies and solicitation shall be subject to the Law, the relevant R.O.C. Laws, the relevant Applicable Listing Rules and in particular the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING**

58. Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.

### **DIRECTORS AND BOARD**

59. (1) Unless otherwise determined by the general meeting, the number of Directors shall be a minimum of five (5) and a maximum of ten (10).
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the duties of a director. Any natural person designated as an authorized representative by the corporate Director may be replaced by another natural person to be authorized by the corporate Director from time to time so as to fulfil the remaining term of the office of the predecessor.
- (3) Where a Juristic Person acts as a Member, its authorized representative(s) may be nominated as a Director(s) provided such nomination is in accordance with these Articles.
- (4) Directors shall be elected by the Members in general meeting. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any



election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.

- (5) The proceedings and the voting regarding the election of Directors not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of the Members from time to time, which shall be in compliance with the Law and the relevant Applicable Listing Rules.
- (6) The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors shall be subject to and governed by the Applicable Listing Rules.
60. The Company shall adopt a candidate nomination mechanism for election of Directors which is in compliance with the Law and the Applicable Listing Rules. Subject to the Law and the Applicable Listing Rules, the Board shall establish detailed rules and procedures for such candidate nomination.
61. The term for which a Director will hold office shall be three years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.
62. A Director may be discharged at any time by a Special Resolution adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
63. The Board shall have a chairman (the "**Chairman**") elected and appointed in term by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as Chairman at every meeting of the Board and general meeting convened by the Board. To the extent the Chairman is not able to be present at a meeting of the Board, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of the meeting of the Board.
64. A Director shall not be required to hold any Shares in the Company.



65. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of such year, in accordance with (i) the extent of a Director's involvement with the business operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.

65-1. (1) During the Relevant Period, the Board shall comply with the Applicable Listing Rules to establish a remuneration committee, which shall be composed of no less than three (3) members, more than half of the members shall be Independent Directors (the "Remuneration Committee").

(2) The professional qualifications of the Remuneration Committee members, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.

(3) Upon the establishment of the Remuneration Committee, the Board shall adopt a charter for such Remuneration Committee, which shall comply with the Applicable Listing Rules.

66. When the number of Directors falls below five (5) due to a Director ceasing to act for any reason, the Company shall hold an election for Directors at the next general meeting. When the number of Directors falls short by one-third of the total number of Directors of the same term elected pursuant to these Articles, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact to hold an election for Directors.

#### **INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE**

67. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or not less than one-fifth of the total number of Directors, whichever is higher, one (1) of whom shall be domiciled in the R.O.C. (such domicile being registered with the government authorities). When an Independent Director ceases to act, resulting in a number of Independent Directors lower than the minimum number required by these Articles, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

68. Independent Directors shall possess professional knowledge and there shall be restrictions on their shareholding and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, formation, appointment,



discharge, exercise of authority, restrictions on shareholdings and concurrent positions held will be taken into account in assessing the independence of the Independent Directors, in compliance with the Applicable Listing Rules.

68-1. The election of Independent Directors shall be held pursuant to the Nomination System for the Candidates of Independent Directors and the Independent Directors shall be elected out of the nominated candidates. For so long as the Shares are registered in Emerging Market or listed on the Taipei Exchange or TSE, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment of Independent Directors in accordance with the Applicable Listing Rules. The rules and procedures for such candidate nomination shall be in accordance with policies approved by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Law, these Articles and the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

69. (1) The Company shall establish an Audit Committee.

- (2) Where the Company has established an Audit Committee pursuant to these Articles, the Audit Committee shall comprise of all the Independent Directors. It shall not be fewer than three (3) Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.
- (3) A resolution of the Audit Committee shall be approved by a majority of all Audit Committee members.
- (4) The qualification, formation, appointment, discharge, exercise of authority and other compliance of the Audit Committee shall be subject to and governed by the Applicable Listing Rules.

70. (1) Where the Company has established an Audit Committee pursuant to these Articles, the following matters shall be subject to the approval of the Audit Committee and be submitted to the Board for a resolution:

- (a) the adoption or amendment of an internal control system;
- (b) the assessment of the effectiveness of the internal control system;
- (c) the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as the acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
- (d) a matter bearing on the personal interest of a Director;
- (e) a transaction relating to material asset or derivatives trading;
- (f) the granting or provision of a material monetary loan, endorsement, or provision of guarantee;



- (g) the offering, issuance, or Private placement of any equity-type securities;
- (h) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer; and annual and semi-annual financial reports.

(2) With the exception of subparagraph (j), any other matters under the preceding paragraph (1) of this Article that has not been approved by the Audit Committee may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of the Board.

70-1. (1) Before any resolution of merger/consolidation and acquisition by the Board was made, the Company shall convene a meeting of Audit Committee to review the fairness and reasonableness of the plan and transaction of the merger/consolidation or acquisition, and shall report the reviewed results to the Board and the general meeting. However, if it is not required under the Law to convene a general meeting for the resolution of merger/consolidation and acquisition, the reviewed results are not required to be reported to the general meeting.

(2) When a meeting of Audit Committee reviews matters, it shall seek opinions from the independent expert on the justification of the Share Exchange ratio or distribution of cash or other assets to the Members.

(3) The reviewed results of the Audit Committee and opinions from the independent expert shall be delivered to the Members together with the notice of the general meeting. However, if a general meetings' resolution of the merger/consolidation and acquisition is not required under the Law, reports for matters of the merger/consolidation and acquisition shall be announced at the next closest general meeting.

(4) If the Company announces the same content as in those documents of notice delivered to the Members according to the provisions of the preceding paragraph on a website designated by the R.O.C. competent authorities of securities and those documents are prepared at the venue of the general meeting by the Company for Members' reference, those documents shall be deemed as having been sent to the Members.

#### **POWERS AND DUTIES OF THE BOARD**

71. Subject to the Law, these Articles, the Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all expenses in connection with business management, including but not limited to expenses incurred in setting up and registering the Company and may exercise all powers of the Company.



72. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to general manager and other managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board and shall have the power to perform such duties as may be delegated to them by the Board in accordance with the applicable internal rules of the Company, as adopted and amended by the Board.

73. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. He shall perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

74. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company; the Board may delegate any of their powers to committees consisting of such member or members of their body as the Board thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

74-1. (1) The Directors shall exercise the duty of loyalty, with the due care of a good administrator, in conducting the business of the Company. If any violation of this Article causes the Company to suffer damages, such Director shall be liable for any such damages incurred. If the conduct in violation of this Article is for the benefit of the Director(s) or other(s), the earnings derived from such conduct may be deemed the earnings of the Company by an Ordinary Resolution adopted at the general meeting.

(2) If, in the course of conducting the business of the Company, the Director violates any applicable laws and regulations, which causes damages to another person, such Director and the Company shall be jointly and severally liable for any damages incurred by such person.

(3) The managers of the Company shall have the same liability for damages as the Directors when acting within the scope of his or her duties.

74-2. A Director (exclusive of any Independent Directors) who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by Special Resolution. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such



behaviour if the general meeting so resolves by an Ordinary Resolution within one (1) year from such behaviour.

- 74-3. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.
- 74-4. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

### **DISQUALIFICATION AND CHANGES OF DIRECTORS**

75. The office of Director shall be vacated, if such Director:
  - (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (c) has been adjudicated guilty by a final judgment for committing an offence under the Anti-Corruption Act of the R.O.C. during the time of his/her public service, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (d) becomes bankrupt under the laws of any country or has been adjudicated of the commencement of the liquidation procedure by the court and has not been reinstated to his rights and privileges; or makes any arrangement or composition with his creditors generally;
  - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
  - (f) loses all or part of legal capacity as defined under the Applicable Listing Rules;



- (g) has been adjudicated the commencement of assistantship and such assistantship has not been revoked yet;
- (h) dies or is found to be or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Directors resolved that his office is vacated;
- (i) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of any law or enactment;
- (j) resigns his office by notice in writing to the Company;
- (k) is removed from office pursuant to these Articles; or
- (l) has been ordered to be discharged by the R.O.C. Courts on the grounds that such Director has, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts for remedies including the discharge of such Director, in accordance with the requirements of the Applicable Listing Rules or these Articles.

75-1. (1) A Director will be automatically discharged if, during his/her/its tenure, such Director transfers more than one half of the Shares held by him/her/it at the time of election; a Director will also be automatically discharged if the aggregated number of Shares transferred by such Director prior to and after the amendment of these Articles is more than one half of the Shares held by him/her/it at the time of election; unless otherwise, he/she/it is the Independent Director.

(2) If, after he/she/it is elected, a Director transfers more than one half of the Shares held by him/her at the time of election before he/she/it assumes office, or transfers more than one half of the total number of Shares held by him/her/it during the period prior to the general meeting where share transfer registration is suspended, the election of such Director shall become invalid; unless otherwise, he/she/it is the Independent Director.

75-2. If a Director creates a pledge on Shares exceeding one half of the Shares held by such Director at the time of election, the votes of the Shares in excess of such amount shall not be exercised or included in the votes at the general meeting.

76. Except as approved by the TPEx or the TWSE or the Commission, the following relationships shall not exist among more than half of the Company's Directors: (1) a spousal relationship; or (2) a familial relationship within the second degree of kinship as defined under the Applicable Listing Rules. If any of the foregoing relationships exist among the elected Directors, the election with respect to the one who received the lowest number of votes among those Directors shall be deemed invalid and void; if he has held the office of a Director, he shall cease to act as a Director.



76-1. (1) In the event of a complete re-election of the Board prior to the expiration of the Directors' terms of office pursuant to the Applicable Listing Rules, such Directors, absent a resolution that the existing Directors will not be discharged until the expiry of their present terms of office, will be deemed to be discharged in advance.

(2) The general meeting for the re-election of the Board referred to in the preceding paragraph shall be attended by more than one-half of the total issued and outstanding Shares of the Company.

77. In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the general meeting, the Members(s) holding three percent (3%) or more of the total number of outstanding Shares of the Company may, within thirty (30) days after that general meeting, institute a lawsuit in the court for a judgment in respect of such matter and may choose Taiwan Taipei District Court as the court of first instance.

77-1. (1) Member(s) who holds one percent (1%) or more of the total issued and outstanding Shares of the Company for more than six months may submit a written request to the Independent Director on the Audit Committee to institute a lawsuit on behalf of the Company against the Director(s) and may choose Taiwan Taipei District Court as the court of first instance.

(2) If the Independent Director on the Audit Committee fails to institute a lawsuit within thirty (30) days of receiving the request pursuant to the preceding paragraph, the shareholder may institute a lawsuit on behalf of the Company and may choose Taiwan Taipei District Court as the court of first instance.

## PROCEEDINGS OF BOARD

78. During the Relevant Period, for the dispatch of business, the Directors shall convene and hold Board meetings (either within or without the Cayman Islands) at least once each quarter. In convening a meeting of the Board, a notice setting forth therein the subject(s) to be discussed 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 determined by the Board, the Board meetings may be convened at any time where this has been agreed to by a majority of Directors.

79. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication equipment by way of which all Persons participating in such meeting can see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.



80. A Director may appoint another Director as his proxy to attend a meeting of the Board, provided that the appointer shall deliver, with regard to each meeting, a power of attorney and state therein the scope of authority with reference to the subjects to be discussed at such meeting. However, no Director may act as proxy for two or more other Director.
81. Unless otherwise provided in these Articles, the quorum necessary for any Board meeting shall be more than one-half of the Directors. A Director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
82. Unless otherwise provided in these Articles, the Law or the Applicable Listing Rules, matters arising at any meeting shall be decided by a majority of the Directors present at a Board meeting.
83. During the Relevant Period, no matters may be decided by the Board by ways of written resolution.
84. (1) A Director who in any way has a personal interest in the matter under discussion at a meeting of the Directors shall declare the essential contents of his personal interest to the Board meeting. In the merger/consolidation and acquisition involving the Company, a Director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board and the general meeting the essential contents of such personal interest and the cause of his approval or dissent to the resolution of merger /consolidation or acquisition. Under the circumstances of the preceding paragraph, the company shall itemize the essential contents of a director's personal interest and the cause of approval or dissent to the resolution of merger/consolidation or acquisition in the notice to convene a meeting of shareholders; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and the address of such website shall be indicated in the above notice.  
(2) Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director has interests in the matters under discussion at a meeting of the Directors of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.  
(3) A Director cannot exercise his own vote or by proxy on behalf of another Director in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. 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 but shall still be counted in the quorum for such meeting.



85. Subject to these Articles, a Director other than an Independent Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

86. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

87. The Board shall cause all minutes to be duly entered in the books provided for the purpose of recording:

- (a) all appointments of officers made by the Directors;
- (b) the names of the Directors present at each meeting of the Board and of any committee of the Board; and
- (c) all resolutions and proceedings of all general meetings and of the Board and of committees of Directors.

88. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

89. The meetings and proceedings of any committee shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board.

89-1. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.

89-2. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.

89-3. The Board shall be entitled to release or disclose to any regulatory or judicial authority of the R.O.C. or Cayman Islands any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.



90. The proceedings regarding Board meetings not covered by these Articles shall be governed by the internal rules of the Company, as consented by the Board and reported to a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules, particularly the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Board may be authorized to amend the proceedings regarding Board meetings.

## **RESERVE**

91. Subject to the Law, the Company may, after paying all taxes and duties, by Ordinary Resolution, set aside certain amount of its surplus profits as a special reserve (the "Special Reserve") for such purposes as may be approved by the shareholders by way of Ordinary Resolution.
92. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, the Capital Reserve shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Special Reserve is insufficient to offset such losses.

## **DIVIDENDS AND BONUSES**

93. Subject to the Law and these Articles, the Company may declare dividends or bonuses in any currency to be paid to the Members when there is any surplus profit at the end of each quarter or the financial year.
- 93-1 Subject to the Law, any rights and restrictions for the time being attached to any Shares and these Articles, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
- 93-2 Subject to Article 93-1, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
- 93-3 Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the



order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

93-4 Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.

94. Subject to the preceding Article, the Law and the Applicable Listing Rules, the Company if has profits, shall distribute employee bonus and Director bonus according to the following percentages, and the proposal of the distribution of employee bonus and Director bonus shall be reported to the general meeting. In the event that the Company still has accumulated deficit, the profits, to the extent of such deficit, shall be set aside to make up the deficit

- (a) no less than zero point five percent (0.5%) for bonuses to employees. When the employee bonuses will be paid in the form of new shares issued by the Company, the employees entitled to such share bonuses may include employees of Subordinate Companies satisfying certain criteria. The criteria shall be promulgated and amended by the Board from time to time;
- (b) up to two percent (2%) for bonuses of Directors; and

94-1. (1) Subject to the Law and the Applicable Listing Rules, the Company may distribute its surplus profits and offset losses at the end of each quarter. The business report, the financial statements and the proposal relating to profit distribution and/or loss offsetting of the preceding three quarters shall be submitted to the Board for a resolution after being audited by Independent Directors who are members of the Audit Committee.

- (2) When distributing surplus profits pursuant to the preceding paragraph, the Company shall estimate and reserve the tax payable and offset its losses in accordance with the laws.
- (3) Where surplus profits are distributed pursuant to the preceding paragraph (1) of this Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash. The whole or a part of the distributable dividends or bonuses, may, upon the approval of the Board, be paid in cash.
- (4) When the Company distributes its surplus profits or offsets its losses pursuant to the preceding three paragraphs of this Article, such profit distribution or loss offsetting shall be based on financial statements audited or reviewed by a certified public accountant.



94-2. In the event that there is earnings surplus per the annual accounting result, such surplus shall first be used to pay tax, offset losses of previous years, and then be set aside as Special Reserve (if required), and the remainder shall be allocated first as the dividends of the Preferred Shares ("Preferred Dividends") payable in such financial year. The remaining surplus combining accumulated undistributed earnings in the previous years as the distributable earnings surplus shall be distributed to Members as cash dividend and/or stock dividend, pursuant to the distribution proposal made by the Board and to be approved by the general meeting.

When the company allocate Special Reserve according to R. O. C. Laws, in the event that the amount of the cumulative amount of net increase in investment properties in fair value in a preceding period(s) and the cumulative net amount of other deductions from equity in a preceding period(s) is insufficient to be allocated, the company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period before distributions of surplus profits. If there remains any insufficiency, the amount of insufficiency shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

The dividend policy of the Company is in consideration of the stable development, sustainable development, funding needs, sound financial structure and protection of shareholder interests of the Company and therefore the ratio of dividends to Members shall not be less than 10% of the distributable earnings surplus, and the distribution can be made in cash or in stock where the amount of cash dividends distributed thereupon shall not be less than 50% of the total amount of dividends. In the event that the Company has no accumulated loss, the Company may consider the finance, business and operation aspects of the Company and distribute all or part of the Legal Reserve and Capital Reserve pursuant to the Law and regulations prescribed by the competent authorities.

95. (1) Where dividends or bonuses are declared in accordance with the preceding Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash.

(2) Where dividends or bonuses are declared in accordance with the preceding Article, the Company may, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, have the whole or a part of the surplus profit distributable as dividends or bonuses paid in cash; and in addition thereto a report of such distribution shall be submitted to the general meeting.



## ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

96. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Board.
97. The books of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall always be open to the inspection of each Director.
98. After the end of each financial year, the Board shall prepare and submit: (1) the business report; (2) the financial statements and accompanying documents, as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) any proposal relating to profit distribution and/or loss offsetting in accordance with these Articles for adoption by the annual general meeting. Upon adoption at the annual general meeting, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting.  
The Company may notify Members by way of a public announcement of the statements and resolutions mentioned in the previous paragraph.
99. The documents prepared by the Board in accordance with the preceding Article shall be made available at its Shareholders' Service Agent's office in the R.O.C. before ten (10) days of the annual general meeting, and any Members is entitled to inspect such documents during normal business hours of such service agent.
100. The Board shall keep copies of this Memorandum of Association, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholders' Service Agent's office in the R.O.C.. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspect, transcribe and to make copies of the above documents and the Company shall make its Shareholders' Service Agent to provide with the access.
101. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Board, or required by the Law or the Applicable Listing Rules.
- 101-1. Subject as otherwise provided in these Articles, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.



102. The Board in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

### **CAPITALISATION OF RESERVE**

103. Subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, capitalize the Legal Reserves and the Capital Reserve specified below, in whole or in part, by issuing new, fully paid shares to the Members in proportion to the number of shares held by each of them:

- (a) Share Premium Account.
- (b) income from endowments received by the Company.

Where the Legal Reserve is distributed by issuing new shares, only the portion of Legal Reserve which exceeds 25 percent of the paid-in capital may be distributed.

104. Subject to the requirements of the Law, the Board may make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a Capitalised Reserve, including without limitation, Shares distributable in fractions.

104-1. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of Special Resolution :

- (a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;
- (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;
- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and
- (d) generally do all acts and things required to give effect to any of the actions contemplated by these Articles.



## **TENDER OFFER**

105. During the Relevant Period, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents referred to in the Applicable Listing Rules by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types, numbers and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the outstanding Shares in its own name or in the name of other Persons;
- (b) the recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and
- (d) the types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other Persons.

## **WINDING UP**

106. Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

107. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members in specie or 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. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.

108. The Company shall keep all statements, records of account and documents for a period of ten (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

## NOTICES

109. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission or the TPEx or the TWSE or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.
110. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
111. Any notice or other document, if served by:
  - (a) post, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
  - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
  - (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
  - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.
112. Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his



death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.

113. Notice of every general meeting of the Company shall be given to all Members holding Shares with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them. No other Person shall be entitled to receive notices of general meetings.

### **OFFICES OF THE COMPANY**

114. The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine. The Company, in addition to its Registered Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Board may from time to time determine.

### **CORPORATE GOVERNANCE**

115. (1) During the Relevant Period, the proceedings regarding acquisition and disposal of assets of the Company (including financial derivatives trading), loan of funds and making of endorsement/guarantees shall be governed by the internal rules of the Company, which shall be in compliance with the Law and the Applicable Listing Rules. The enactment and amendment of such internal rules shall be approved by an Ordinary Resolution of Members.

(2) During the Relevant Period, the proceedings regarding related party transactions shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

116. During the Relevant Period, the internal control system will be established by the Board which shall be in compliance with the Law and the relevant Applicable Listing Rules.

### **FINANCIAL YEAR**

117. Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

### **SEAL**

118. The Company shall have one or more Seals, as the Board may determine. No Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed by one Director or the Secretary or by such



other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

#### **CORPORATE SOCIAL RESPONSIBILITY**

119. The Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities when conducting business.

