

THE CAYMAN ISLANDS  
THE COMPANIES ACT (AS AMENDED)  
AMENDED AND RESTATED MEMORANDUM AND  
ARTICLES OF ASSOCIATION

OF

Arizon RFID Technology (Cayman) Co., Ltd.

Incorporated on the 21<sup>st</sup> day of October, 2021  
(as adopted by a Special Resolution passed on the 27<sup>th</sup> day of May, 2026)



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THE CAYMAN ISLANDS  
THE COMPANIES ACT (AS AMENDED)  
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION  
OF

Arizon RFID Technology (Cayman) Co., Ltd.

(as adopted by a Special Resolution passed on the 27<sup>th</sup> day of May, 2026)

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1. The name of the Company is Arizona RFID Technology (Cayman) Co., Ltd..
2. The Registered Office of the Company shall be situated at the offices of Portcullis (Cayman) Ltd, The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands. Cayman Islands or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law.
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 Act (as amended).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business for which a license is required under the laws of the Cayman Islands unless duly licensed.
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 ordinary shares of a nominal or par value of NT\$10 each with power for the Company.
9. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.



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THE CAYMAN ISLANDS  
THE COMPANIES ACT (AS AMENDED)  
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Arizon RFID Technology (Cayman) Co., Ltd.

(as adopted by a Special Resolution passed on the 27<sup>th</sup> day of May, 2026)

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INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Act of the Cayman Islands (as amended, supplemented or otherwise modified 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:

Acquisition means a transaction of acquiring shares, business or assets of another company and the consideration for the transaction being the shares, cash or other assets, as defined in the Enterprise Mergers and Acquisitions Law of the R.O.C..

Applicable Listing Rules means the relevant laws, regulations, rules and codes 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 the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Enterprise Mergers and Acquisitions Law of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations



promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable).

Appraisal Price	has the meaning set out in paragraph (3) of Article 55.
Articles	means these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution.
Auditors	means the certified public accountant (if any) retained by the Company to audit the accounts of the Company, to audit and/or certify the financial statements of the Company or to perform other similar duties as assigned or requested by the Company for the time being.
Board	means the board of Directors of the Company comprising all the Directors.
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items generated and treated as capital reserve pursuant to the Applicable Listing Rules or generally accepted accounting principles.
Chairman	has the meaning given thereto in Article 76.
Class or Classes	means any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles.
Commission	means the 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	means Arizon RFID Technology (Cayman) Co., Ltd.;
Consolidation	means 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.
D&O insurance	has the meaning set out in Article 81.



Director	means a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them (including any and all Independent Director(s)).
Discount Transfer	has the meaning set out in Article 26(4).
Electronic	shall have the meaning given to it in the Electronic Transactions Act (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.
Employees	employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and “Employee” shall mean any one of them.
Financial Statements	has the meaning set out in Article 111.
Independent Directors	those Directors designated as "Independent Directors" who are elected by the Members at a general meeting and appointed as "Independent Directors" for the purpose of these Articles and the requirements of the Applicable Listing Rules, and “Independent Director” means any one of them.
Juristic Person	means a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity.
Law	means the Companies Act 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 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	means a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of them.
Memorandum	means the memorandum of association of the Company, as amended or substituted from time to time.
Merger	means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules.
Month	means a calendar month.
NTD	means New Taiwan Dollars.
Ordinary Resolution	means a resolution <ul style="list-style-type: none"> <li>(a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; or</li> <li>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives).</li> </ul>
Person	means 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 7.



Private Placement	means an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules.
Quorum	has the meaning given thereto in Article 42.
Register	means the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands.
Registered Office	means the registered office of the Company for the time being as required under the Law.
Relevant Period	means the period any of the securities of the Company listed on the TPEX or the TWSE (and so that if at any time registration or 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 registered or listed).
R.O.C. or Taiwan	means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction.
R.O.C. Courts	means the Taiwan Taipei District Court or any other competent courts in the R.O.C..
Seal	means the common seal of the Company (if applicable) or any facsimile or official seal (if applicable) for the use outside of the Cayman Islands.
Secretary	means 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	means any 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 Premium Account	means the share premium account of the Company established in accordance with these Articles and the Law.
Shareholder Service Agent	means 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 and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised), to the Company.
signed	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication.
Special Reserve	has the meaning set out in Article 102.
Special Resolution	means a resolution passed by two-thirds (2/3) or more of the votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given.
Spin-off	means an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company as defined in the Enterprise Mergers and Acquisitions Law of the R.O.C..
Statutory Reserve	means a reserve set aside in an amount equal to ten percent (10%) of the annual profits of the Company under the Applicable Listing Rules.
Subordinate Company	means any company (a) of which a majority of the total outstanding voting shares or the total amount of the capital



stock is held by the Company; (b) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (c) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (d) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members.

Supermajority Resolution	means (a) a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds (2/3) or more of the total outstanding Shares of the Company or, (b) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds (2/3) of the total outstanding Shares of the Company, but more than half of the total outstanding Shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds (2/3) or more of the Shares present and entitled to vote on such resolution.
TDCC	means the Taiwan Depository & Clearing Corporation.
TPEX	means the Taipei Exchange in Taiwan.
Treasury Shares	means Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased in accordance with the Law.
TWSE	means the Taiwan Stock Exchange Corporation.
Video Communication Facilities	means video, video-conferencing, internet or online conferencing applications and/or any other video-communication, internet or online conferencing application or video telecommunications facilities by means of which all persons participating in a meeting are capable of hearing and be heard by each other.
Virtual Meeting	means any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including, without limitation, the chairperson of such meeting and any Directors) are permitted to attend and



participate solely by means of Video Communication Facilities.

- (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) "written" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
  - (d) "may" or "could" shall be construed as permissive and "shall" shall be construed as imperative; and
  - (e) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

### Commencement of Business

3. After incorporation, the Company may operate its business at the time the Board deems fit.
4. The Company shall operate its business in compliance with the Applicable Listing Rules and business ethics, and may promote perform actions that the public interest to fulfil the social responsibility of the Company.
5. The Board may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

### SHARES

6. Subject to these Articles and any resolution of the Members to the contrary, the Board may, in respect of all Shares for the time being unissued:



- (a) offer, issue and allot 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, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and, if during the Relevant Period, the Applicable Listing Rules; and
- (b) 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, if during the Relevant Period, the Applicable Listing Rules;

For such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.

- 7. The Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (the “**Preferred Shares**”) with the approval of a majority of the Directors and present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors.
- 8. Prior to the issuance of any Preferred Shares approved pursuant to the preceding Article hereof, these Articles shall be amended and passed by a Special Resolution at a general meeting to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Listing Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:
  - (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
  - (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distributions on such Preferred Shares;
  - (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
  - (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
  - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and



- (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
9. (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date such Shares may be 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) The Company shall not issue bearer Shares.
- (3) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person.

#### ISSUANCE OF NEW SHARES

10. Subject to these Articles and the Applicable Listing Rules, the issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) 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.
11. During the Relevant Period:
- (1) upon each issuance of new Shares, the Directors may reserve not more than fifteen percent (15%) of the new shares for subscription by the Employees who are determined by the Board in its reasonable discretion; and
- (2) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to subsection (1) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the TPEX and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.
12. During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares for cash consideration, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to the preceding paragraph, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member



fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:

- (a) 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;
- (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
- (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.

13. Subparagraph (1) of Article 11 and the preceding Article shall not apply whenever the new Shares are issued for the following purpose:

- (a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation 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; or
- (e) in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.

14. During the Relevant Period, subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds (2/3) or more of the total number of Directors, enter into a share subscription right agreement with the Employees whereby such Employees may subscribe, within a specific period of time, for a specific number of Shares of the Company at an agreed subscription price. Upon execution of the said agreement, the Company shall issue to each of such Employees a share subscription warrant. Such issued share subscription warrant shall be non-assignable, except for transfer by inheritance or intestacy.



15. During the Relevant Period, the Company may, subject to approval of Shareholders by way of Supermajority Resolution, issue new Shares with restricted rights as approved by such Supermajority Resolution to Employees. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.
16. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, by a resolution passed by at least two-thirds (2/3) of votes cast by Shareholders present at the general meeting with a quorum of more than half of the total number of the issued Shares at the general meeting carry out Private Placement of its securities to the following entities in Taiwan:
- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;
  - (b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or
  - (c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.
- (2) Subject to the preceding Paragraph, a Private Placement of ordinary corporate bonds may be carried out in instalments within one (1) year of the date of the relevant resolution of the Board approving such Private Placement.
17. Subject to the provisions of the Applicable Listing Rules, when the total number of new Shares in issue has been subscribed to in full, the Company shall immediately send a call notice to the subscribers for unpaid Shares. Where Shares are issued at a price higher than par value, the premium and the par value shall be collected at the same time. Where the subscriber delays payment for subscribing to the Shares, the Company shall designate a cure period of not less than one (1) Month by serving a notice on him/her/it requiring such payment. The Company shall also declare in the notice that in case of default of payment within the said cure period, the subscriber's right to subscribe to new Shares shall be forfeited. After the Company has made such request, the subscribers who fail to settle the outstanding payment accordingly shall forfeit their rights to subscribe to the Shares and the Shares subscribed by them in the first place shall be otherwise offered by the Company.

## MODIFICATION OF RIGHTS

18. If at any time the share capital of the Company is divided into different Classes of Shares, the rights attached to any Class, unless otherwise provided by the terms of issue of the Shares of that Class, may, whether or not the Company is being wound up, be varied with the sanction



of a Special Resolution passed at a general meeting of the holders of the Shares of that Class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any Class of Shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that Class of Shares.

19. The relevant provisions of the Articles relating to general meetings shall apply to every Class meeting of the holders of the same Class of the Shares.
20. 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.

## REGISTER

21. Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C., any of its Shareholders is entitled to inspect such documents from time to time. If a general meeting is called by the Board or any authorized person(s) other than the Board may request the Company or the securities agent to provide the Register.
22. Notwithstanding anything contained in these Articles, during the Relevant Period, the relevant information of the Members shall be recorded by TDCC, and the Company shall recognize each person identified in the records provided by TDCC to the Company as a Member and such records shall form part of the Register as at the date of receipt of such records by the Company.

## REDEMPTION AND REPURCHASE OF SHARES

23. (1) Subject to the Law and these Articles, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
- (2) All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.



24. (1) During the Relevant Period and subject to the Applicable Listing Rules, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds (2/3) or more of Directors, the Company may purchase its own Shares.
- (2) Such resolutions of the Board approving purchases of Shares and the implementation thereof (including the failure of any purchase of Shares as approved by such resolutions, if any) shall be reported to the Shareholders at the next general meeting of the Company.
25. (1) Shares repurchased, redeemed or acquired (by way of surrender or otherwise) by the Company shall be cancelled immediately or held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit.
- (2) During the Relevant Period, all matters relating to the Company's redemption and repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
26. (1) Subject to the Law, for so long as the Company holds Treasury Shares, the Company shall be entered in 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) the Treasury Shares shall not be pledged or encumbered in any manner whatsoever;
- (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and
- (d) no dividend/bonus may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.
- (2) Subject to Paragraph (4) of this Article and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board and may be transferred to the Employees who are determined by the Board in its reasonable discretion. If the Treasury Shares having been repurchased by the Company is for the purpose of the transfer to Employees under the Applicable Listing Rules, such Employees may undertake to the Company to refrain from transferring such Shares during certain period with a maximum of two (2) years.



- (3) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
  - (4) Subject to Paragraph (5) of this Article and the Law, the Company may, by way of a Special Resolution passed at the next general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the “**Discount Transfer**”), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:
    - (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;
    - (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
    - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer; and
    - (d) matters that the Board is of the opinion that may affect Shareholders' equity, including:
      - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
      - (ii) any financial burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
  - (5) The aggregate number of Treasury Shares to be transferred to Employees pursuant to the preceding paragraph and the aggregate number of Treasury Shares transferred to any individual Employee shall be subject to the Applicable Listing Rules as applied to the Company and shall not exceed the stipulated percent of the Company's total issued, allotted and outstanding Shares as at the date of transfer of any Treasury Shares to the Employee.
27. Notwithstanding anything to the contrary contained in these Articles but subject to the Law and the Applicable Listing Rules, the Company may carry out a compulsory purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Where any purchase price is paid in kind, the type of such payment in kind



and the corresponding amount of such substitutive distribution shall be subject to approval by a Special Resolution as well as individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.

## TRANSFER AND TRANSMISSION OF SHARES

28. Subject to the Law and the Applicable Listing Rules and unless otherwise provided by these Articles, the Shares shall be freely transferable.
29. 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. The registration of transfers may be suspended when the Register is closed in accordance with Article 31(2).
30. Subject to the Law and notwithstanding anything to the contrary in these Articles, during the Relevant Period, Shares may be evidenced and transferred in accordance with the Applicable Listing Rules.

## CLOSING REGISTER OR FIXING RECORD DATE

31. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy, way of a written ballot or by way of electronic transmission; and (c) any other purposes as determined by the Board. In the event the Board designates the record date(s) for (b) in accordance with this Article, such record date(s) shall be date(s) prior to the general meeting.
- (2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall determine the period that the Register shall be closed for transfers and after the Company has acquired public company status, such period shall not be less than the minimum period of time prescribed by the Applicable Listing Rules.

## GENERAL MEETINGS

32. All general meetings other than annual general meetings are extraordinary general meetings.
33. The Board may, whenever it thinks fit, convene a general meeting of the Company; during Relevant Period, the Company shall in each year hold a general meeting as its annual general



meeting within six (6) Months after close of each financial year or such other period as may be permitted by the Commission, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board and shall specify the meeting as such in the notices calling it.

34. During the Relevant Period, all general meetings attending in person shall be held in the R.O.C. or by Virtual Meeting or in any manner prescribed by the Applicable Listing Rules. If a general meeting attending in person is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 35, the relevant Shareholders, shall apply for the approval of the TPEX or the TWSE (if applicable). At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit. Where a general meeting is held through Virtual Meeting, it shall be convened in accordance with the regulations of the Applicable Listing Rules, and the Members participating in such meeting by Video Communication Facilities shall be deemed to have attended such meeting by himself.
35. Any one or more Member(s) holding at least three percent (3%) of the issued and outstanding Shares of the Company for a period of one (1) 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 convene a general meeting pursuant to the Applicable Listing Rules.
36. Member(s) holding more than fifty percent (50%) of the total issued and outstanding Shares for at least three (3) consecutive Months may themselves convene an extraordinary general meeting. The calculation of the holding period of Shares and the number of Shares held by a Member shall be determined based on the shareholding on starting date of the book closed period.
37. During the Relevant Period, the Company shall engage a Shareholder Service Agent within the R.O.C. to handle the administration of general meetings, including but not limited to, the voting matters.

## NOTICE OF GENERAL MEETING

38. (1) During the Relevant Period, at least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member, and the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting, the manner in which the meeting shall be held, the agenda the proposals to be resolved at the general meeting and



other relevant matters, and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.

- (2) At any time other than the Relevant Period, at least five (5) days' notice in writing shall be given of an annual general meeting or any other general meeting PROVIDED HOWEVER that notice may be waived by all the Member either at or before the meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by email, telex or telefax.
  - (3) Notwithstanding the foregoing, at any time other than the Relevant Period, a general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by (a) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (b) in the case of an extraordinary general meeting, by seventy-five percent (75%) of the Members entitled to attend and vote thereat.
39. (1) During the Relevant Period, the Company shall make public announcements with regard to notice of general meeting, proxy form, summary information and details about items to be proposed at the meeting for approval, discussion, election or dismissal of Directors at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.
- (2) During the Relevant Period, if the Company allows the Shareholders to exercise the votes and cast the votes in writing in accordance with Article 63, the Company shall also send to the Shareholders the information and documents as described in the preceding Paragraph, together with the voting right exercise forms.
40. The following matters shall be specified in the notice of general meeting with the description of their major contents and shall not be proposed as ad hoc motions; the material content may be placed on the website specified by the TPEX or the TWSE (where applicable), and the website address link shall be indicated in the notice:
- (a) any election or removal of Director(s);
  - (b) any alteration of the Memorandum and/or these Articles;
  - (c) reduction in share capital of the Company;
  - (d) application for de-registration as a public company;



- (e) any dissolution, voluntary winding-up, Merger or Consolidation (other than a short-form Merger), share swap (other than a short-form share swap) or Spin-off (other than a short-form Spin-off) of the Company;
- (f) entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
- (g) the transfer of the whole or any material part of the Company's business or assets;
- (h) the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
- (i) carrying out a Private Placement of any equity-type securities issued by the Company;
- (j) granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
- (k) distributing dividends or bonuses in whole or in part by way of issuance of new Shares;
- (l) distribution of the legal reserve and the Capital Reserve derived from the issuance of new shares at a premium or from endowments received by the Company to shareholders in the form of new Shares or cash;
- (m) issuing new Share with restricted rights to Employees; and
- (n) Discount Transfer.

41. During the Relevant Period, the Company shall prepare a meeting handbook of the relevant general meeting and supplemental materials in accordance with the Applicable Listing Rules and available for inspection by the Members, which shall be placed at the office of the Company and the Company's securities agent, distributed at the meeting venue, and transmitted to the website specified by the Commission, the TPEX or the TWSE (where applicable) at least thirty (30) days prior to the date of the annual general meeting or at least fifteen (15) days prior to the date of the extraordinary general meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

42. Unless otherwise provided in the Law, the Articles and the Applicable Listing Rules, Members present in person or by proxy, representing more than one-half (1/2) of the total outstanding Shares, shall constitute a quorum for any general meeting (the "**Quorum**"). No business shall be transacted at any general meeting unless a Quorum is present.



43. (1) During the Relevant Period, Member(s) holding one percent (1%) or more of the total number of issued, allotted, outstanding Shares immediately prior to the relevant book closed period may propose to the Company proposal(s) for discussion at an annual general meeting in writing or by means of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Other than any of the following situation occurs, proposals proposed by Member(s) shall be included in the agenda by the Board where
- (a) the proposing Member(s) holds less than one percent (1%) of the total number of outstanding Shares,
  - (b) where the matter of such proposal may not be resolved by a general meeting,
  - (c) the proposing Member has proposed more than one proposal,
  - (d) such proposal contains more than 300 words, or
  - (e) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals.
- (2) If the proposal(s) proposed by Member(s) is intended to improve the public interest or fulfil its social responsibilities of the Company, the Board may include such proposal(s) in the agenda.
- (3) The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.
44. Subject to the provisions of the Applicable Listing Rules, the Chairman shall preside as chairman at every general meeting of the Company convened by the Board. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves a chairman for such meeting.
45. Subject to the provisions of the Applicable Listing Rules, 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.
46. A general meeting may be adjourned by the Company by an Ordinary Resolution 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 general meeting.

47. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.
48. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.
49. In the case of an equality of votes, the chairman of the general meeting shall not be entitled to a second or casting vote.
50. The Company may from time to time by Ordinary Resolution:
  - (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
  - (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination; and
  - (c) subdivide its existing Shares, or any of them into Shares of a smaller amount.
51. Subject to the Law ,the Applicable Listing Rules or these Articles, the Company may by a Special Resolution:
  - (a) change its name;
  - (b) alter or amend the Memorandum or these Articles, in whole or in part;
  - (c) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
  - (d) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
  - (e) increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe;
  - (f) Discount Transfer; and



(g) authorise a plan of Merger or Consolidation involving the Company.

52. Subject to the Law, the Applicable Listing Rules or these Articles, the Company may by a Supermajority Resolution:

- (a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
- (b) transfer the whole or any material part of its business or assets;
- (c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
- (d) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
- (e) effect any Spin-off of the Company in accordance with the Applicable Listing Rules;
- (f) issue new Shares with restricted rights to Employees subject to any restrictions and conditions in accordance with Article 15;
- (g) dismissal of Directors;
- (h) distribute dividends, bonuses or other distributions in whole or in part by way of issuance of new Shares;
- (i) reserves and capitalization in accordance with Article 104; and
- (j) share swap in accordance with the Applicable Listing Rules.

53. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;

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

54. If the Company proposes to undertake:



- (a) a Merger or Consolidation which will result in the Company being dissolved;
- (b) general transfer (a sale, transfer or assignment of all of the Company's assets and businesses to another entity);
- (c) a transfer of any material part of the Company's business or assets;
- (d) a share swap; or
- (e) a Spin-off (demerger),

which would result in a delisting of the Shares on the TPEX and/or the TWSE (where applicable) , and the shares of the surviving company, the transferee company or the existing company or newly incorporated company will not be registered or listed on any stock exchange or securities market, then in addition to any requirements to be satisfied under the Law, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds (2/3) or more of the votes of the total number of issued shares of the Company.

55. (1) In the event any of the following resolutions is adopted at a general meeting, the Member, who has expressed his/her/its objection therefor, in writing or verbally with a record before or during the general meeting and voted against or forfeited his/her/its voting right may request the Company to buy back all of his/her/its Shares at the then prevailing fair price:
- (a) the Company enters into, amends, or terminates any agreement for lease of the Company's business in whole, or for the delegation of management of the Company's business to other or for the regular joint operation of the Company with others;
  - (b) the Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
  - (c) the Company accepts the transfer of the whole business or assets of another person, which has a material impact on the Company's business operations;
  - (d) Spin-off (other than a short-form Spin-off);
  - (e) Merger or Consolidation (other than a short-form Merger);
  - (f) Acquisition; or
  - (g) share swap (other than a short-form share swap).



- (2) Unless otherwise provided by the Applicable Listing Rules, in the event of a short-form Merger, a short-form Spin-off, or a short-form share swap where at least ninety percent (90%) of the voting power of the outstanding shares of the Company are held by the other company participating in such Merger, Spin-off or share swap, the Company shall deliver a notice to each of the Member immediately after the resolution of the Board approving such short-form Merger, short-form Spin-off or short-form share swap and such notice shall state that any Member who expressed his/her/its objection against the short-form Merger, short-form Spin-off or short-form share swap within the specified period pursuant to the Applicable Listing Rules may submit a written objection requesting the Company to buy back all of his/her/its Shares at the then prevailing fair price.
  - (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall be delivered to the Company in writing, stating therein the types, numbers and the repurchase price of Shares requested to be repurchased, within twenty (20) days after the date of the relevant resolutions. In the event the requesting Member and the Company have reached an agreement in regard to the repurchase price of the Shares held by such Member (the “**Appraisal Price**”), the Company shall pay such price within ninety (90) days after the date on which the resolution was adopted. In the event that no agreement is reached with the dissenting Member, the Company shall pay the fair price it has recognized to such dissenting Member within ninety (90) days since the resolution was made. If the Company fails to pay, the Company shall be considered to be agreeable to the price requested by the dissenting Member.
  - (4) Without prejudice to the Law, in the event that any Member requests the Company to buy back his/her/its Shares pursuant to this Article, and the Company and the requesting Member fail to reach the agreement with respect to the Appraisal Price within sixty (60) days after the resolution date, the Company shall apply to any competent R.O.C. Courts against all the dissenting Members as the opposing party within thirty (30) days after the expiry of the sixty-day (60) period for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. Court shall be binding and conclusive as between the Company and requested Member solely with respect to the Appraisal Price.
  - (5) Shares for which voting right have been forfeited in the Paragraph (1) of this Article shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.
56. In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court of the R.O.C., as applicable, for an appropriate remedy, including but not limited to, requesting the



court to invalidate or cancel the resolution adopted therein.

57. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
58. The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time; during the Relevant Period, such internal rules shall be in compliance with the Law and the Applicable Listing Rules.

### VOTES OF MEMBERS

59. Subject to any rights and restrictions as to voting for the time being attached to any Share by or in accordance with these Articles, at any general meeting, every Member present in person (or in the case of a Member being a Juristic Person, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.
60. In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers and the vote cast by such representative, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members.
61. A Shareholder who holds Shares for the benefit of others need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of Share he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other requirements for separate votes shall be in compliance with the Applicable Listing Rules.
62. (1) Subject to the Law or the Applicable Listing Rules, no vote may be exercised by any Shareholder with respect to any of the following Shares and shall not be counted in the total number of issued shares while adopting a resolution at a general meeting.
  - (a) Treasury Shares held by the Company permitted by the Law, these Articles, and the Applicable Listing Rules;
  - (b) the Shares held by any Subordinate Company, where the total number of voting shares or total shares equity held by the Company in such a Subordinated Company represents more than one-half (1/2) of the total number of voting shares or the total shares equity of such a Subordinated Company; or



- (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
- (2) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the Shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Notwithstanding that such Member should not exercise his voting right, all such Shares held by such Member shall be counted in the Quorum but shall not be counted in determining the number of votes for or against such matter.
- (3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director (the "**Charged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not carry the voting rights and shall not be counted toward the number of votes represented by the Shareholders present at a general meeting but shall be included in the Quorum.
63. During the Relevant Period, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member. To the extent permitted by the Law, the Board may resolve that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his Shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document, impromptu proposal and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to



resolution(s) proposed at the general meeting.

64. In case a Member who has cast his votes by a written instrument or by way of electronic transmission intends to attend the relevant general meeting in person, he shall, at least two (2) day prior to the date of the general meeting, revoke such votes by serving a notice in the same manner as he cast such votes. In the absence of a timely revocation of such votes, such votes shall remain valid.

## PROXY

65. (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
- (2) During the Relevant Period, subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the matters to be entrusted by the Member or to be voted upon pursuant to such proxy, and (c) the basic information of the Member as appointor, the proxy and the proxy solicitor (if any) and shall be sent out together with the notice of general meeting to all Members on the same day.
66. A Member may only appoint one proxy for each general meeting irrespective of how many Shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.
67. In case a Member who has served a proxy intends to attend the relevant general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a separate written notice to the Company or Shareholder Service Agent. Otherwise, the votes cast by the proxy at the general meeting shall prevail.
68. A Member who has served the Company with his voting decision in accordance with Article 63 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.



69. During the Relevant Period, except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Article 63, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.
70. During the Relevant Period, the use and solicitation of proxies not provided for in these Articles 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 (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of R.O.C. Public Companies (as amended, supplemented or otherwise modified from time to time)).

#### CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

71. Any Juristic Person which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Board or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

#### DIRECTORS AND THE BOARD

72. (1) The Board shall consist of not less than five (5) or more than nine (9) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (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 powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.



- (3) Directors shall be elected by Members at general meetings. Any Juristic Person which is a Member shall be entitled to appoint a natural person or natural persons as its representative(s) to be nominated for election as Director in accordance with these Articles.
  - (4) The principle of cumulative voting shall apply in any election of Directors pursuant to these Articles. 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. Notwithstanding anything to the contrary in these Articles, at any time other than the Relevant Period, the Company may by Ordinary Resolution appoint any Person to be a Director or remove any Director from office.
  - (5) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.
73. The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.
74. Subject to these Articles, each Director shall be appointed to a term of office of three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.
75. (1) Unless otherwise provided by these Articles, a Director may be removed from office at any time by a Supermajority Resolution adopted at a general meeting.
- (2) Notwithstanding anything in the Articles to the contrary, the Company may from time to time remove all Directors from office before the expiration of their term of office and shall



be held in the general meeting attended by Shareholders representing more than fifty percent (50%) of total issued Shares of the company and elect new Directors in accordance with Article 72 (4). Unless a resolution of a general meeting provides otherwise, all the Directors shall be deemed to have been removed upon such election of new Directors prior to the expiration of such Director's applicable term of office.

76. A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds (2/3) of all of the Directors then in office. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.
77. When the number of Directors then in office falls below five (5) due to any Director(s) vacating his office for any reason, the Company shall hold an election for such number of Directors at the next general meeting to fill the vacancy for the remainder of the term of such outgoing Director(s). When the number of Directors then in office falls short by one-third (1/3) of the total number of Directors initially constituting the existing Board, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact for the purposes of electing such number of Directors to fill the casual vacancy.
78. Subject to these Articles, a Director other than an Independent Director may hold any other office (except that of Auditor) 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.
79. (1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, and exercise due care and skill in conducting the business operation of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person’s interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.



- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two Paragraphs of this Article shall apply, mutatis mutandis, to the officers of the Company who are authorised to act on its behalf in a senior management capacity.
80. 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 (except that of Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
81. The Company may purchase directors and officers liability insurance (the “**D&O insurance**”) for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Law and the Applicable Listing Rules. The Board is hereby authorized to handle all matters in relation to the D&O insurance.
82. During the Relevant Period, the qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

## INDEPENDENT DIRECTORS

83. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth (1/5) of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, 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.
84. Independent Directors shall possess professional knowledge and 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, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of



this Article have been satisfied and complied with in relation to any candidate for Independent Director.

## POWERS AND DUTIES OF THE BOARD

85. The remuneration of a Director may differ from other Directors, and shall be determined by a resolution passed by the Board, regardless of the Company profits or losses of respective years, based on (a) the extent of a Director's involvement with the operations of the Company, (b) the contribution of a Director to the Company, (c) the prevailing industry standard, (d) recommendation made by the remuneration committee, and (e) such other relevant factors. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from Board meetings of the Directors, or any committee established under Article 88, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.
86. 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 officers and 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.
87. The Board may appoint a Secretary 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 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. Subject to the Applicable Listing Rules, the Secretary shall also perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

## COMMITTEES

88. Subject to the Law and the Applicable Listing Rules, the Board may, or the Company may by an Ordinary Resolution, establish any committee(s) and delegate any of their powers, authorities and discretions to such committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of such member or members of their body or any other Persons as the Board thinks fit. Any committee(s) so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings, conform to any regulations that may be imposed on it by the Board pursuant to the Applicable Listing Rules. If no regulations are imposed by the Board, the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by these Articles regulating the proceedings of the Board (where applicable).



- 88.1 (1) During the Relevant Period, the Company shall establish an audit committee; regulations governing the professional qualifications for its members, formation, appointment, discharge, exercise of authority and other related matters shall be subject to and governed by the Applicable Listing Rules.
- (2) The audit committee of the Company shall be composed of all the Independent Directors. The audit committee shall not be fewer than three Persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half (1/2) or more of the members of the audit committee.
- (3) The following matters shall be subject to the consent of one-half (1/2) or more of all members of the audit committee of the Company and shall be thereafter submitted to the Board for a resolution:
- (a) Adoption or amendment of an internal control system.
  - (b) Assessment of the effectiveness of the internal control system.
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
  - (d) A matter bearing on the personal interest of a Director.
  - (e) A material asset or derivatives transaction.
  - (f) A material monetary loan, endorsement, or provision of guarantee.
  - (g) The offering, issuance, or Private Placement of any equity-type securities.
  - (h) The hiring or dismissal of an Auditor, or the compensation given thereto.
  - (i) The appointment or discharge of a financial, accounting, or internal auditing officer.
  - (j) Approval of annual financial reports and second quarter financial reports which are required to be audited by certified public accountants.
  - (k) Any other material matter so required by the Company or the competent authority in the R.O.C..
- (4) With the exception of Subparagraph (j) above, any matter under a subparagraph of the preceding Paragraph that has not been approved with the consent of one-half (1/2) or more of all members of the audit committee of the Company may be undertaken upon the approval of two-thirds (2/3) or more of the Directors, without regard to the restrictions of the preceding Paragraph, and such resolution of the audit committee of the Company shall be recorded in the minutes of the Board meeting.
- (5) Subject to the Applicable Listing Rules, where the audit committee is unable to convene a meeting for any proper cause, matters may be approved by consent of two-thirds (2/3) or more of all Directors, provided that the Independent Director members shall still be required to issue an opinion as to whether the resolution is approved in respect of a matter under item (j) above.



- (6) Prior to the commencement of the meeting of Board to adopt any resolution of Merger, Acquisition, Spin-off and share swap, the Company shall have the audit committee review the fairness and reasonableness of the plan and transaction, and then report the results of the review to the Board and the general meeting unless the resolution by the general meeting is not required by the Law or the Applicable Listing Rules.
  - (a) During the review, the audit committee shall seek opinions from an independent expert on the justification of the share swap ratio or distribution of cash or other assets.
  - (b) The results of the review of audit committees and opinions of independent experts shall be sent to the Members together with the notice of the general meeting. In the event that the resolution by the general meeting is not required by the Law, the Board shall report the foregoing at the next closest general meeting.
  - (c) With respect to the documents that need to be sent to the Members as provided in the preceding Article, in the event that the Company posts the same documents on the website designated by the R.O.C. competent authorities of securities and also prepares and places such documents at the venue of the general meeting for the Members' review, then those documents shall be deemed as having been sent to the Members.

88.2 (1) During the Relevant Period, the Company shall establish a remuneration committee; regulations governing the professional qualifications for its members, formation, appointment, discharge, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules. Remuneration referred to in this Paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers under the Law or the Applicable Listing Rules.

- (2) The members of the remuneration committee of the Company shall be appointed by the Board and shall not be fewer than three members, one of whom shall be the convener.
- (3) The remuneration committee of the Company shall exercise the care of a good administrator and in good faith when performing the official powers listed below, and shall submit its recommendations for deliberation by the Board:
  - (a) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and officers;
  - (b) Periodically evaluate and prescribe the remuneration of Directors and officers; and
  - (c) Any other material matter so required by the Company or the competent authority in



the R.O.C..

## DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

89. (1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:
- (a) he/she/it commits an offence as specified in the Organized Crime Prevention Act of the R.O.C. and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of the sentence, the expiration of probation period, or the pardon of such punishment is less than five (5) years;
  - (b) he/she/it commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently punished with imprisonment for a term of more than one (1) year, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of such sentence, the expiration of probation period, or the pardon of such punishment is less than two (2) years;
  - (c) he/she/it commits an offence as specified in the Anti-Corruption Act of the R.O.C. and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he/she/it has served the full term of such sentence, the expiration of probation period, or the pardon of such punishment is less than two (2) years;
  - (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction and has not been reinstated to his rights and privileges;
  - (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
  - (f) dies or an order is made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or his legal capacity is restricted according to the applicable laws;



- (g) he/she is subject to the commencement of assistance by a court and the court and those orders have not yet been revoked;
  - (h) 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 the Law and/or Applicable Listing Rules;
  - (i) resigns his office by notice in writing to the Company;
  - (j) is removed from office pursuant to these Articles; or
  - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, 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.
- (2) During the Relevant Period, in case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.
- (3) During the Relevant Period, if a Director (other than Independent Director), (a) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, (b) within the closing period fixed by the Board in accordance with Article 31(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one-half (1/2) of the Shares held at the commencement of the closing period, his election as a Director shall be deemed invalid and void.
90. Except as approved by the Commission, the TPEx or the TWSE (where applicable), the following relationships shall not exist among half or the majority of the Directors: (a) a spousal relationship; or (b) a familial relationship within the second degree of kinship as defined under the Civil Code of Taiwan. If any of the foregoing relationships exists among half or the majority of the elected Directors, the election with respect to the one who received the lowest number of votes among those related Directors shall be deemed invalid and void; and if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically. For the remaining Directors, if the foregoing requirements are still not satisfied, the same procedure set out above shall be applied again to the remaining related Directors, until such time as the foregoing requirements can be complied with.



91. In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued and outstanding Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.
92. Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the outstanding Shares continuously for at least six (6) consecutive months may request in writing any Independent Director of the audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C.. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the Law, the Members making such request may file the action for the Company, and the Taiwan Taipei District Court of the R.O.C. may be the court of first instance jurisdiction.

#### PROCEEDINGS OF THE BOARD

93. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. During the Relevant Period, the Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.
94. Chairman may, and the Secretary on the requisition of Chairman shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days' notice in writing, or at any time other than during the Relevant Period, at least forty eight (48) hours' notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time in accordance with the Applicable Listing Rules. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors at, before or retrospectively after the relevant Board meeting is held. Any notice or waiver



thereof may be given by email, telex or telefax.

95. A Director may participate in a meeting of Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.
96. A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.
97. A Director who is in any way, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Where the spouse, a blood relative within the second degree of kinship of a director defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.
98. When the Company conducts any Merger, Consolidation, share swap, Spin-off or Acquisition, a director who has a personal interest in the transaction shall explain the essential contents of such personal interest and the cause of approval or dissent to the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. The Company shall itemize the essential contents of a director's personal interest and the cause of approval or dissent to the resolution in connection with the transaction in the notice to convene the general meeting of the Company; the essential contents may be posted on the website designated by the Commission, the TPEX or the TWSE (where applicable) or the Company's website, and the address of such website shall be indicated in the above notice.
99. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.
100. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution in writing signed by all of the Directors then in office



or all of the members of a committee of Directors, including a resolution signed in counterpart or by way of signed email, telex or telefax transmission, shall be as valid and effectual as if it had been passed at a Board meeting or of a committee of Directors duly called and constituted.

101. The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the Members at a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of Public Companies of the R.O.C.).

## RESERVES AND CAPITALISATION

102. During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year, for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend or bonuses, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the "**Special Reserve**").
103. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve shall 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 Statutory Reserve and Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.
104. (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it may, by a Supermajority Resolution, distribute its Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company, which are in the Capital Reserve which are available for distribution, in whole or in part, by issuing new, fully paid Shares and/or by cash to its Members.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may distribute cash dividends/bonuses out of or capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend/bonus and to apply such sum on



their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

105. Where any difficulty arises in regard to any declaration of share dividends or share bonuses or other similar distributions under these Articles due to any fraction held by Member(s), the Board may determine that cash payments should be made to any Members in full, or part thereof, as may seem expedient to the Board. Such decision of the Board shall be effective and binding upon the Members.

## COMPENSATION, DIVIDENDS AND BONUSES

106. At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends/bonuses (including interim dividends/bonuses), and other distributions to the Members by issuing new, fully paid Shares and/or by cash in proportion to the number of Shares held by them respectively and authorise payment of the same out of the funds of the Company lawfully available therefore. The Directors may, before declaring any dividends, bonuses or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business or investments of the Company.
107. (1) As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and/or stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development needs in assessing the amount of dividends/bonuses the Company wish to distribute.
- (2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds (2/3) or more of the total number of the Directors, the Company may distribute not less than one percent (1%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than two percent (2%) hereof to the Directors as the Directors' compensation, PROVIDED HOWEVER, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. A report of such distribution of Employee and Directors' compensation shall be submitted to the general



meeting of the Company. The term "annual profits" as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.

- (3) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total issued capital), and setting aside the Special Reserve (if any), the Company may distribute not less than thirty percent (30%) of the remaining balance (including the amounts reversed from the Special Reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than twenty percent (20%) of the total amount of dividends/bonuses to Members.
  - (4) During the Relevant Period, unless otherwise resolved by the general meeting of the Company, the Employees and Directors' compensations and dividends, bonuses or other forms of distributions payable to the Members shall be declared in NTD.
  - (5) The Board may deduct from the dividends, bonuses or any other amount payable to the Member in respect of the Share any amount (if any) due by such Member to the Company on account of calls or otherwise in relation to the Share.
  - (6) Any dividend, bonus or other monies payable on or in respect of the Share may be paid by wire transfer to the bank account nominated by the Member or by cheque or warrant sent through a post to the registered address of the Member, or to such Person and to such address as the holder may nominate in writing. In the case of joint Members, any of them may give a valid receipt for the dividend, bonus or other monies payable on or in respect of the Share.
  - (7) Subject to the Law and the Applicable Listing Rules, any Special Reserve may be reversed to undistributed profits of the Company.
108. Subject to the Law and Applicable Listing Rules, the Company may distribute to the Members, in the form of cash, all or a portion of its dividends and bonuses, legal reserve and/or Capital Reserve derived from issuance of new shares at a premium or from endowments received by



the Company by a majority of the Directors at a meeting attended by two-thirds (2/3) or more of the total number of the Directors, and shall subsequently report such distribution to a general meeting.

109. No dividend, bonus or other distribution shall be paid otherwise than out of profits or out of monies otherwise available for dividend, bonus or other distribution in accordance with the Law. No dividend, bonus or other distribution or other money payable by the Company on or in respect of any Share shall bear interest against the Company.

#### ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

110. The Directors shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.
111. During the Relevant Period, at the end of each financial year, the Board shall prepare: (a) the business report; (b) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (c) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.
112. During the Relevant Period, the documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.
113. Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and the appointment of the Auditors.
114. During the Relevant Period, The Board shall keep copies of the Memorandum, 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 Shareholder 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 and to make copies of the above documents, and the Company shall request its Shareholder Service Agent to provide the foregoing documents.

115. 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.

### TENDER OFFER

116. Subject to the Law and the Applicable Listing Rules, during the Relevant Period, after receipt of the copy of the public tender offer report form, the public tender offer prospectus, and relevant documents, the Company shall comply with the Applicable Listing Rules.

### WINDING UP

117. 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.
118. 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, subject to the Law, 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.
119. 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 an Ordinary Resolution.

### NOTICES

120. 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, the TPEX or the TWSE (where applicable) and/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.

121. Any Member present, either personally or by proxy, at any general meeting of the Company shall for all purposes be deemed to have received due notice of such general meeting including the purpose for which such meeting was convened.
122. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served on the day following that on which 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.
123. Any notice or document served to the registered address of any Member in accordance with 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.

#### REGISTERED OFFICE OF THE COMPANY

124. The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine.

#### FINANCIAL YEAR

125. Unless the Board otherwise prescribes, the financial year of the Company shall end on



December 31<sup>st</sup> in each year and shall begin on January 1st in each year.

## SEAL

126. The Company shall adopt a Seal by resolution of the Board and, subject to the Law, the Company may also have a duplicate Seal or Seals for use in any place or places outside of the Cayman Islands. The use and management of the Seal (or duplicate Seals) may be determined by the Board from time to time pursuant to the adoption of any regulation governing the use and management of seals of the Company in accordance with the Applicable Listing Rules.

## LITIGATION AND NON-LITIGATION AGENT IN THE R.O.C.

127. (1) Subject to the provisions of the Applicable Listing Rules, the Company shall, by a resolution of the Board, appoint or remove a person as its litigation and non-litigation agent and such agent will be deemed as the responsible person of the Company in the R.O.C. under the Applicable Listing Rules.
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

## CHANGES TO CONSTITUTION

128. Subject to the Law and the Applicable Listing Rules, the Company may, by Special Resolution, alter or amend the Memorandum or these Articles, in whole or in part.

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