

Company Number: 258808

THE CAYMAN ISLANDS
THE COMPANIES LAW (AS REVISED)
THIRTEENTH AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION

OF

Patec Precision Industry Co., Ltd.

Incorporated on the 29th day of June, 2011

(as adopted by a Special Resolution passed on 25th June 2024)

THE CAYMAN ISLANDS
THE COMPANIES LAW (AS REVISED)
COMPANY LIMITED BY SHARES

TWELFTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF

Patec Precision Industry Co., Ltd.

(as adopted by a Special Resolution passed on 25th June 2024)

1. The name of the Company is Patec Precision Industry Co., Ltd.
2. The Registered Office of the Company shall be situated at the offices of Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, 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 as provided by Section 7(4) of the Companies Law (As Revised).
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (As Revised).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Law (As Revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (As Revised) or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (As Revised).
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, subject to the provisions of the Companies Law (As Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.
9. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
10. 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.

THE CAYMAN ISLANDS
THE COMPANIES LAW (AS REVISED)
COMPANY LIMITED BY SHARES

TWELFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF

Patec Precision Industry Co., Ltd.

(as adopted by a Special Resolution passed on 25th June 2024)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (As Revised) 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:

Applicable Listing Rules 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 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 GTSM and the TWSE (where applicable);

Articles 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 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;

Audit Committee	has the meaning set out in Article 81-1;
Board	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 required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 68;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;
Commission	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	Patec Precision Industry Co., Ltd.;
M&A	referred to the merger, acquisition or division of a company within the meaning of the Law and the Applicable Listing Rules;
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Acquisition	referred to a company obtaining shares, business or property of other companies and using shares, cash or other property as consideration within the meaning of the Law and the Applicable Listing Rules;
Director	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 23(3);

Electronic	shall have the meaning given to it in the Electronic Transactions Law (as revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;
Emerging Market	the emerging market board of the GTSM in Taiwan;
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 103;
GTSM	the GreTai Securities Market in Taiwan;
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	a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies Law (As Revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of them;

Memorandum	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Month	a calendar month;
NTD	New Taiwan Dollars;
Ordinary Resolution	a resolution:- (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; and (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); and (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;

Private Placement	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;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first become public offering or registered or listed on the Emerging Market, the GTSM, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (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	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;

Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C., to the Company;
signed	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 94;
Special Resolution	a special resolution of the Company passed in accordance with the Law, being a resolution: <ul style="list-style-type: none">(a) passed by a majority of at least two-thirds 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, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given; and(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); and(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;

Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;
Subordinate Company	any company (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (iii) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;
TDCC	the Taiwan Depository & Clearing Corporation;
Treasury Shares	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; and
TWSE	the Taiwan Stock Exchange Corporation.

- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires:
 - (a) words importing the singular number shall include the plural number and vice-versa;
 - (b) words importing the masculine gender shall include the feminine gender and neuter genders;

- (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
 - (d) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

3. Subject to the Law and these Articles 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 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 Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
4. Subject to Article 5 and the sufficiency of the authorised share capital of the Company, the Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company ("**Preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
5. (1) Where the Company is to issue Preferred Shares, such issuance pursuant to the preceding Article shall cause to be set forth in these Articles., The rights and obligations of the Preferred Shares include but are not limited to the following terms:
- (a) The dividend rate of Preferred Shares is capped at 6.5% per annum on the issue price per share. Cash dividends shall be distributed annually at one time. Once the Company's audited financial reports have been acknowledged in the annual general meeting, the Board of Directors shall set the record date for the distribution of Preferred Dividends of previous financial year. In the year of issuance and redemption of the Preferred Shares, the distribution of Preferred Dividends shall be calculated on the basis of actual number of days the Preferred Shares being issued in that year.;
 - (b) The Company has sole discretion on the distribution of Preferred Dividends. In the event that there are no profits or insufficient profits for distributing

Preferred Dividends, or due to other necessary considerations, the suspension of distributing Preferred Dividends by Ordinary Resolution of the meeting shall not be deemed as an event of default under any agreements and directions in relation to the issuance of such Preferred Shares. The Preferred Shares issued by the Company may be non-cumulative preferred shares. Any undistributed Preferred Dividends or shortfalls in Preferred Dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings;

- (c) Except for the foregoing Preferred Dividends in the first subparagraph of this paragraph, the holders of the Preferred Shares ("Preferred Shareholders") are not entitled to participate in the distribution of cash and capitalization derived from earnings and capital reserves;
- (d) Any surplus property of the Company available for distribution to shareholders shall be distributed with priority to the Preferred Shareholders. All Preferred Shareholders shall rank *pari passu*, and shall be subordinated to the general creditors; such distribution shall be capped at the amount based on the issue price of issued Preferred Shares outstanding amount ;
- (e) The Preferred Shareholders shall have no voting rights and no rights to vote on election of directors in a general meeting. Notwithstanding the foregoing, the Preferred Shareholders shall have voting rights in a separate meeting of the Preferred Shares and a meeting on matters adverse to the rights and obligations of preferred shareholders;
- (f) Preferred Shares are not convertible to common shares;
- (g) Preferred Shares have no maturity date. Preferred Shareholders have no right to request the Company to redeem the preferred shares they hold. Notwithstanding the foregoing, subject to compliance with the Companies Law, the Company may, upon the approval by the Board of Directors, redeem all or a part of the outstanding issued Preferred Shares, at any time on the next business day after five years of issuance, at the original issue price and on such terms as the Board of Directors may approve. The rights and obligations set forth in the foregoing paragraphs shall remain unchanged to the unredeemed Preferred Shareholders; in the event that the Company pays dividends in the year, the payable dividends as of the redemption date shall be calculated based on the actual number of days the Preferred Shares being issued in that year; and
- (h) The capital reserve from Preferred Shares issued at premium shall not be capitalized except for making good the deficit (or loss) of the company during the period of issuance of such Preferred Shares.

- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of

such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.

- (3) The Board of Directors is authorised to determine the name, issuance date and specific issuance terms of Preferred Shares upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles and other applicable laws and regulations.
6.
 - (1) Subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
 - (2) The Company shall not convert the Shares into par value shares if the Company chooses to issue no par value shares.
 7.
 - (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. 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.
 - 7-1.
 - (1) When the company issuing new shares, where subscriber delays payment for Shares as provided in the preceding article , the Company shall fix a period of not less than one month and call upon each subscriber to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited.
 - (2) After the Company has made the aforesaid call under the preceding paragraph , the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting subscribers.
 8. During the Relevant Period:
 - (a) upon each issuance of new Shares (other than resulting from or in connection with any Merger or Consolidation of the Company, Spin-off of the Company's business, any reorganisation of the Company, asset acquisition, share swap, the Shares issued for being acquired, exercise of share options or warrants granted to the Employees, conversion of convertible securities or debt instruments, exercise of subscription warrants or rights to acquire Shares vested with preferential or special rights, where

the Company issues new Shares to the existing Members by capitalisation of its reserves in accordance with these Articles, Private Placement or other issuance of Shares for consideration other than cash), the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and

- (b) 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 (a) 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 the Commission, the Emerging Market, the GTSM and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate.
9. 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 Article 8, 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.
10. 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;
- (e) in connection with any share swap arrangement entered into by the Company;~~;~~
- (f) in connection with any acquisition of issued Shares, business, or assets of another company;
- (g) in connection with any Shares issued for being acquired;
- (h) in connection with any Private Placement conducted pursuant to Article 13; or
- (i) 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.

10-1. Any new Shares issued under preceding article may be paid up in cash or assets required in the business of the Company.

11. 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 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.

12. During the Relevant Period, the Company may, subject to approval of Shareholders by way of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies, provided that Articles 8 and 9 shall not apply. 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.

13. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement with any of the following Persons in the R.O.C.:

- (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, the Board may resolve, by a majority of the Directors presents at a meeting attended by two-thirds or more of the total numbers of the Directors, that a Private Placement of ordinary corporate bonds be carried out by installments within one year of the date of such resolution.
14. The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules.
15. During the Relevant Period, any issuance, conversion or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds), capitalisation and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C..

MODIFICATION OF RIGHTS

16. Whenever the share capital of the Company is divided into different Classes of Shares, including where Preferred Shares are issued, subject to Article 45 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.
17. 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

18. 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.
19. Notwithstanding anything contained in these Articles and subject to the Law, 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

20. 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.

21. (1) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, for cancellation, upon such terms and manner and subject to such conditions as the Board thinks fit, and such Shares shall be treated as cancelled immediately on purchase.
- (2) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, to be held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit, PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Law.
- (3) During the Relevant Period, the resolutions of Board approving a purchase of Shares, how such resolutions are implemented, and 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.
- (4) Subject to the Law, for so long as the Company holds Treasury Shares:
- (a) the Company shall be entered in the Register as holding the Treasury Shares;
 - (b) 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;
 - (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 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.
- (5) During the Relevant Period, subject to the Law, except purchases of Shares carried out pursuant to Article 22(1), the number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares and the total amount of the shares to be purchased by the Company shall not exceed the aggregate amount of retained earnings, premium on capital stock, and realized capital reserve.

22. (1) Subject to the Law and the Applicable Listing Rules, the Company may carry out a

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.

- (2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding paragraph.
23. (1) Where the Company holds Treasury Shares, the Company may, in accordance with the Law:
- (a) cancel any or all of the Treasury Shares; or
 - (b) transfer any or all of the Treasury Shares to the Employees, the terms of such transfer and qualifications of such employees shall be determined by the Board, subject to Paragraph (3) of this Article. The Board may impose a lock-up period restricting the transfer of any Treasury Shares transferred to the Employees pursuant to this Paragraph (1) for a term of up to two (2) years.
- (2) 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.
 - (3) Subject to Paragraph (4) of this Article and the Law, the Company may, by way of a Special Resolution passed at the immediate preceding 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;
 - (d) matters that the Board is of the opinion that may affect Shareholders' rights, 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 burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (4) The total aggregate amount of the Treasury Shares that are transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (3) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and the aggregate amount of the Treasury Shares transferred to each Employee shall not exceed point five percent (0.5%) of the total number of issued and outstanding Shares of the Company.

TRANSFER AND TRANSMISSION OF SHARES

24. Subject to the Law and Applicable Listing Rules and unless otherwise provided by these Articles, the Shares shall be freely transferable.
25. 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 27.

NON-RECOGNITION OF TRUSTS

26. Except as required by Law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not, unless required by Law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or actual interest in any Share (except only as otherwise provided by these Articles, the Law or law otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

CLOSING REGISTER OR FIXING RECORD DATE

27. (1) The Board may fix in advance the record date(s) for (a) determining the Members

entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy 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, 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 fix the period that the Register shall be closed for transfers at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the abovementioned period, the respective convening date of the general meeting or the relevant target date shall be included.

GENERAL MEETINGS

28. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year or such other period as may be permitted by the Emerging Market, the GTSM or the TWSE (where applicable). The annual general meeting shall be convened by the Board. The shareholder's meeting may be held through a video conference or other methods promulgated by the competent authorities of The Company Law of the R.O.C..
29. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
30. During the Relevant Period, all general meetings shall be held in the R.O.C. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.
31.
 - (1) 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 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.
 - (2) Any one or more Member(s) holding at least one-half of the issued and outstanding Shares of the Company for a period of three months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the

time when the Register is closed for transfers.

32. (1) The Board or other Persons calling a general meeting may require the Company or its Shareholder Service Agent to provide the Register.
- (2) 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

33. (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 and the agenda and the proposals to be resolved at the general meeting 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 telex or telefax. At any time other than the Relevant Period, a general meeting may be convened by such shorter notice or without notice with the consent of a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent (95%) in nominal value of the Shares giving that right.
34. (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 or by way of electronic transmission in accordance with Article 56, 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.
35. The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; the major content may be published on the website designated by the

Commission, the Emerging Market, the GTSM or the TWSE (where applicable) or the Company, and such website shall be indicated in the above notice:

- (a) any election or removal of Director(s);
 - (b) any alteration of the Memorandum and/or these Articles;
 - (c) capital reduction;
 - (d) application for the approval of ceasing the Shares to be publicly offered;
 - (e) any dissolution, voluntary winding-up, Merger, share swap, Consolidation or 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, bonus or other distributions in whole or in part by way of issuance of new Shares; and
 - (l) capitalisation of the Company's Special Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.
36. During the Relevant Period, the Company shall prepare a manual for each general meeting, and electronic files of such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the GTSM or the TWSE (where applicable) thirty (30) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.
37. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

PROCEEDINGS AT GENERAL MEETINGS

38. No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. In case the general meeting proceeds via video conference, the shareholders taking part in such a meeting shall be deemed to have attended the meeting in person. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.
39. (1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued and outstanding Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting; provided that only one matter shall be allowed in a single proposal, the number of words therein contained shall not be more than three hundred (300), and the matter of such proposal may be resolved by a general meeting, or otherwise such proposal shall not be included in the agenda.
- (2) During the Relevant Period, prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) The Board shall include a proposal submitted by Member(s) unless any of the following circumstances is satisfied:
- (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
 - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued and outstanding Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company;
 - (c) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals; or
 - (d) the proposal contains more than three hundred (300) words or more than one matters in a single proposal.
- (5) The proposal proposed pursuant to the preceding paragraph (1) for urging the Company to promote public interests or fulfil the Company's social responsibilities may still be included

in the agenda by the Board.

(6) The Company shall, prior to 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.

40. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.
41. If at any general meeting the Chairman is not present or is unwilling to act as chairman, he shall appoint one of the Directors to act on his behalf. In the absence of such appointment, the Directors present may choose one of them to be the chairman of that general meeting.
42. 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 meeting.
43. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.
44. 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.
45. Subject to the Law and the Applicable Listing Rules, the Company may by a Special 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) distribute dividends, bonus or other distributions in whole or in part by way of issuance of new Shares;
 - (e) effect any Spin-off of the Company;
 - (f) authorise a plan of Merger or Consolidation involving the Company;
 - (g) resolve that the Company be wound up voluntarily;

- (h) carry out a Private Placement;
- (i) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
- (j) change its name;
- (k) change the currency denomination of its share capital;
- (l) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
- (m) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
- (n) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
- (o) 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;
- (p) subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;
- (q) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules; and
- (r) appoint an inspector to examine the affairs of the Company under the Law; and
- (s) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12.

45-1. Subject to the Statute, the resolution of the general meeting shall be adopted by two-thirds or more of the votes of the shareholders who represent the total number of issued shares of the Company:

- (a) if the Company participates in the merger/consolidation and is dissolved thereafter while the surviving company is not a listed or OTC company;
- (b) if the trading of shares on TSE market is terminated because the Company carries on the general transfer so that the transferee company is not a listed or OTC company anymore;
- (c) if the trading of shares on TSE market is terminated because the Company is acquired by any other surviving or newly incorporated company as a 100% held subsidiary company

- by means of share exchange while the surviving or newly incorporated company is not a listed or OTC company; or
- (d) if the company carries on a division and the trading of the shares then traded on TSE market shall be terminated while the surviving or newly incorporated transferee company after the division is not a listed or OTC company.
46. Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.
47. (1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 45 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 45 and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) In the event any part of the Company's business is involved in any Spin-Off, Merger, Consolidation or share exchange, a Member, who has voted against or forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price in accordance with the Law.
- (3) Without prejudice to the Law, if the Shareholder filing a request under the preceding paragraph (1) and (2) of this Article 47, the Shareholder shall make such request in writing within twenty(20) days since the resolution of the general meeting was made, specify the price for buying back. If the Company and the Shareholder reach an agreement about the price of buying back, the company shall pay for the Shares within ninety(90) days since the resolution of the general meeting was made. In case no agreement is reached, the Company shall pay the fair price in accordance with the Law within ninety(90) days since the resolution of the general meeting was made. If the Company did not pay, the Company shall be deemed to be agreeable to the price requested by the Member.
- (4) Without prejudice to the Law, in the event the Company and a Member who voted against or forfeited his/her/its voting right during the meeting may file a request pursuant to Article 45-1 (c) listed in Paragraphs (1), or Paragraphs (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition to the Taiwan Taipei District Court of the R.O.C. if and to the extent permitted under the Law, for a ruling on the appraisal price against all the dissenting Members as the opposing party.
- (5) Shares for which voting right has been forfeited in the preceding Paragraph shall not be counted in the number of votes of shareholders present at the meeting.

48. 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, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.
49. 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 (or being Juristic Persons by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
50. 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, which shall be in compliance with the Law and the Applicable Listing Rules (in particular the Rules Governing the Conduct of Shareholders Meetings of R.O.C. Public Companies).

VOTES OF MEMBERS

51. 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 corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.
52. 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.
53. 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.
54. Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.
55. (1) Subject to the Law and the Applicable Listing Rules, Shares held by the following persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members belonging to the following persons shall abstain from voting in respect of all Shares held by them:
 - (a) the Company itself (if such holding is permitted by the Law);

- (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; 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. Any and all votes cast by such Member(s) 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.
56. To the extent permitted by the Law and subject to the Applicable Listing Rules, 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 way of electronic transmission shall be one of the voting methods at the general meeting. 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.

57. 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 prevail. Nonetheless, a Member who attends and votes at a general meeting in person would be deemed to have revoked his prior voting instructions by a written instrument or by way of electronic transmission, notwithstanding that such shareholder has not submitted a revocation notice in accordance with this Article 57.

PROXY

58. (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) 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 signature requirements, (c) the matters to be voted upon pursuant to such proxy and basic identification information of the Member as appointor, the proxy solicitor (if any) and the proxy, and shall be sent out together with the notice of general meeting to all Members on the same day.
59. 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.
60. 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.
61. A Member who has served the Company with his voting decision in accordance with Article 56 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.
62. 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 56, 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.

63. 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)).

DIRECTORS AND THE BOARD

64. (1) The Board shall consist of not less than five (5) 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 to be nominated for election as a Director in accordance with these Articles. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's Shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
- (4) 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 (in particular, the Methods of Election of Directors and Supervisors of R.O.C. Public Companies).
65. The Company adopt and apply a candidate nomination mechanism for election of all the Directors. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination

mechanism shall be adopted for election of Independent Directors. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.

66. 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.
67. (1) Notwithstanding the preceding Article, a Director may be removed from office at any time by a Special Resolution adopted at a general meeting.
- (2) Without prejudice to other provisions of these Articles, the Company may put all Directors for re-election before the expiration of the term of office of such Directors. In this event, if it is not specified in a resolution that the existing Directors will not retire until the expiration date of their terms of office or other specified date, they shall be deemed to have retired on the date of such re-election, subject to the successful election of the new Directors at the same meeting.
68. 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 of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his power and authority for any cause, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.
69. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of respective years, based on (i) the extent of a Director's involvement with the operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.
70. 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 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.
71. 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.

72. (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 Paragraph 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.
73. 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.
74. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or Auditor of: the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).
75. 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

76. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. One (1) 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.

77. 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

78. Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company.
79. 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.
80. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. 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

81. 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.

81-1. The Company shall establish an Audit Committee. The Audit Committee shall comprise of all the Independent Directors and the number of committee members shall not be less than three. One of the Audit Committee members shall be appointed as the convener and at least one of the Audit Committee members shall have accounting or financial expertise. A resolution of the Audit Committee shall be approved by one-half or more of all Audit Committee Members. The qualification, formation, appointment, discharge, exercise of authority and other compliance of the Audit Committee shall be subject to and governed by the Applicable Listing Rules.

81-2. (1) The following matters shall be subject to the approval of one-half or more of all Audit Committee members and be submitted to the Board for a resolution:

- (a) the adoption or amendment of an internal control system;
- (b) the assessment of the effectiveness of the internal control system;
- (c) the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as the acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
- (d) a matter bearing on the personal interest of a Director;
- (e) a transaction relating to material asset or derivatives trading;
- (f) the granting or provision of a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-type securities;
- (h) the engagement or dismissal of the Auditors, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company or required by the R.O.C. competent authorities.

(2) With the exception of subparagraph (j), any other matters under the preceding paragraph (1) of this Article that has not been approved by the Audit Committee may be undertaken upon

the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of the Board.

- 81-3. Before the Board of Directors is held to resolve matters of the Merger and acquisition, the Audit Committee shall review the fairness and reasonableness of the plan and transaction of the Merger or acquisition and then report the review results to the Board of Directors and the general meeting. When the Audit Committee reviews the fairness and reasonableness of the plan and transaction of the Merger and acquisition, the Audit Committee shall seek opinions from an independent expert on the reasonableness of the share swap ratio or distribution of cash or other assets. The review results of the Audit Committees and opinions of independent experts shall be delivered to the Shareholders together with the notice of a general meeting for the Merger or acquisition. If the Company has made a public announcement publishing the same content as in the aforementioned documents, which shall be delivered to the Shareholders, on the website designated by TWSE and the aforementioned documents are prepared at the venue of the general meeting, those documents shall be deemed as having been sent to the Shareholders.

DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

82. (1) 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) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and has not started serving the sentence, has not completed serving the sentence, or five (5) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (c) has been convicted for committing an offence under the Anti-Corruption Act of the R.O.C. during the time of his public service, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (d) becomes bankrupt under the laws of any jurisdiction or has been adjudicated of the commencement of the liquidation procedure by the court 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 has no or is limited in legal capacity according to the Law and/or Applicable Listing Rules;
 - (g) has been adjudicated the commencement of assistantship and such assistantship has not been revoked yet;
 - (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) ceases to be a Director by virtue of Article 83;
 - (j) resigns his office by notice in writing to the Company;
 - (k) is removed from office pursuant to these Articles; or
 - (l) has been ordered to be 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 has transferred his Shares, during the term of office as a Director, more than one half of the Shares being held by him at the time he is elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically; unless otherwise, he is the Independent Director..
- (3) During the Relevant Period, if a Director has transferred more than one half of the total number of Shares be held by such Director at the time of his election after having been elected and before his inauguration of the office of a Director or had transferred more than one half of the total number of Shares be held within the closing period fixed by the Board in accordance with Article 27(2) prior to the general meeting, his election as a Director shall be deemed invalid and void; unless otherwise, he is the Independent Director.
83. Except as approved by the Emerging Market, the GTSM, the TWSE or the Commission (where applicable), the following relationships shall not exist among half or the majority of the Directors: (1) a spousal relationship; or (2) 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.

84. 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.
85. Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the outstanding Shares continuously for a period of more than six 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 of the Audit Committee fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company and may choose Taiwan Taipei District Court of the R.O.C. as the court of first instance.

PROCEEDINGS OF THE BOARD

86. 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. 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.
87. A Director may, and the Secretary on the requisition of a Director 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 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 if this has been agreed to by a majority of the Directors at such meeting. 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 PROVIDED FURTHER that notice or waiver thereof may be given by telex or telefax.

88. 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.
89. 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.
90. A Director who is in any way, whether directly or indirectly, 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. In the M&A by a company, a Director who has a personal interest in the transaction of Merger and acquisition shall disclose to the Board of Directors and general meeting the material contents regarding such personal interest and the reason of approval or dissent to the resolution of Merger or acquisition, and the Company shall itemize the essential contents of a Director's personal interest and the cause of approval or dissent to the resolution of Merger/consolidation or acquisition in the notice to convene a meeting of shareholders; the essential contents may be posted on the website designated by the competent securities authority in the R.O.C. or the Company, and the address of such website shall be indicated in the above notice.. Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director is interested in the matters under discussion in the abovementioned meeting of the Board, such Director shall be deemed to bear 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.
91. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.
92. 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 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.
93. 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 R.O.C. Public Companies).

RESERVES AND CAPITALISATION

94. During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; and (ii) an amount to offset losses incurred in previous year(s); and after the aforesaid sums as set aside from the profits for such relevant financial year, the Board may, before recommending any dividend, set aside the remaining profits of the Company for the relevant financial year as a reserve or reserves (the "**Special Reserve**") which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied.
95. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, the Capital Reserve set aside during the Relevant Period shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless any Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.
96. (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, distribute its Special 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 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 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.
97. Where any difficulty arises in regard to any declaration of dividends or bonuses or other 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..

DIVIDENDS AND BONUSES

98. 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 to be paid to the Members according to their rights and interests, including such interim dividends as appear to the Board to be justified by the position of the Company.

99. As the Company is in the growing stage, the dividend of the Company may be distributed in the form of cash dividends and/or stock dividends and shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development needs. 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:

- (1) where the Company has earnings surplus at the end of a financial year, after paying all relevant taxes, offsetting losses (including losses of previous years), setting aside the Special Reserve (if any), the Company may distribute the balance left (**"Distributable Earnings Surplus"**) by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles as follows:
 - (a) not more than three percent (3%) of Profits before tax for bonuses of the Directors;
 - (b) during zero point one percent (0.1%) to three percent (3%) of Profits before tax for bonuses of the Employees; and/or
 - (c) not less than five percent (5%) of Distributable Earnings Surplus to the Members as dividends in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends shall not be less than three percent (3%) of the total amount of dividends to Members; and
- (2) dividends, bonuses or other forms of distributions payable to the Members shall only be paid in NTD.

99-1.(1) Subject to the Law and the Applicable Listing Rules, the Company may distribute its earnings surplus and offset losses at the end of each half fiscal year. The business report, the financial statements and the proposal relating to profit distribution and/or loss offsetting for the half fiscal year shall be submitted to the Board for a resolution after being audited by the Audit Committee.

- (2) When distributing earnings surplus pursuant to the preceding paragraph, the Company shall pay all relevant taxes, offset losses (including losses of previous years), set aside the Special Reserve (if any).
- (3) When the Company distributes its earnings surplus or offsets its losses pursuant to the preceding two paragraphs of this Article, such profit distribution or loss offsetting shall be based on financial statements audited or reviewed by the Auditors.

100. During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special resolution distribute any part or all of the dividends to the Members or bonuses to the Employees declared in accordance with these Articles by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Employees and/or the Members. The whole or a part of the distributable dividends or bonuses, may, upon the approval of the Board, be distributed in the form of cash.

101. 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

102. 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.
103. During the Relevant Period, at the end of each financial year, the Board shall prepare: (1) the business report; (2) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) 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.
104. 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.
105. 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.
106. 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, transcribe and to make copies of the above documents and the Company shall make its Shareholder Service Agent to provide with the access.
107. 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

108. Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within seven (7) days after the receipt of the notice of a public tender offer to purchase the Shares by the Company or the designated representative for litigious and non-litigious matters of the Company in the R.O.C. appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend the Members to either accept or object to the tender offer and make a public announcement of the following:
- (a) the types, number and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares in its own name or in the name of other Persons;
 - (b) the recommendations to the Members on the tender offer with respect to the status of verification of the identity and financial condition of the Offeror, fairness of the tender offer conditions, and reasonableness of the sources of the tender offer funds and, the specific assenting and dissenting opinions of the directors and the reason(s) therefore;
 - (c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and an explanation of the change, if any; and
 - (d) the types, number and amount of the shares of the tender offer or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares held in its own name or in the name of other Persons.
- 108-1. The Board must fully disclose the verification measures adopted and the related procedures with respect to the verification conducted under Article 108(b) and if an expert is engaged to issue a written opinion, it shall be made public along with the disclosure.

WINDING UP

109. 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.
110. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such

division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.

111. 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

112. 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 Emerging Market, the GTSM 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.
113. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
114. 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.
115. 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

116. 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

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

SEAL

118. The Seals of the Company shall be determined, used and affixed subject to a resolution of the Directors (including authorisation made by the Board) and/or any regulation governing use and management of seals of the Company that may be imposed by the Board pursuant to the Applicable Listing Rules.

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

- 119.(1) Subject to the provisions of the Applicable Listing Rules, the Company shall, by a resolution of the Directors, 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

120. 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.

CORPORATE SOCIAL RESPONSIBILITY

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

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