



**AIRMATE (CAYMAN) INTERNATIONAL CO. LIMITED**

## **2022 Annual Shareholders' Meeting**

# Meeting Handbook

**(Translation)**

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

Time: June 10, 2022 (Friday), 9:00 a.m.

Location: Conference Room, 4th Floor, No. 2-1, Section 1, Jinan Road,  
Taipei City (National Taiwan University Alumni Association)

**Notice to Readers:**

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

# Table of Contents

|                                                                                     | Pages |
|-------------------------------------------------------------------------------------|-------|
| <b>Chapter I. Meeting Procedure</b>                                                 | 1     |
| <b>Chapter II. Meeting Agenda</b>                                                   | 2     |
| I. Report Items                                                                     | 3     |
| II. Recognition                                                                     | 4     |
| III. Discussions                                                                    | 5     |
| IV. Extempore Motions                                                               | 6     |
| V. Adjournment                                                                      | 6     |
| <b>Chapter III Attachment</b>                                                       |       |
| I. 2021 Business Report                                                             | 7     |
| II. Audit Committee's 2021 Review Report                                            | 14    |
| III. CPA Audit Report and 2021 Consolidated Financial Statements                    | 15    |
| IV. Statement of Deficit Off-setting                                                | 30    |
| V. Comparison Table of Code of Practice on Corporate Governance                     | 31    |
| VI. Comparison Table of Articles of Incorporation                                   | 34    |
| VII. Comparison Table of Operating Procedures for Acquisition or Disposal of Assets | 40    |
| VIII. Comparison Table of the Rules of Procedure of the Shareholders' Meeting       | 50    |
| <b>Chapter IV Appendix</b>                                                          |       |
| 1. Code of Practice on Corporate Governance (Before amendment)                      | 73    |
| 2. Articles of Incorporation (Before amendment)                                     | 96    |
| 3. Operating Procedures for Acquisition or Disposal of Assets<br>(Before amendment) | 136   |
| 4. Rules of Procedure of the Shareholders' Meeting (Before amendment)               | 159   |
| 5. Shareholdings of Directors                                                       | 168   |

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**AIRMATE (CAYMAN) INTERNATIONAL CO. LIMITED**  
**AIRMATE (CAYMAN) INTERNATIONAL CO. LIMITED**

**Agenda of the 2022 Annual Shareholders' Meeting**

- I. Call Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
- IV. Recognition
- V. Discussions
- VI. Election Matters
- VII. Other Matters
- VIII. Extempore Motions
- VII. Adjournment

# **AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED**

## **Agenda of the 2022 Annual Shareholders' Meeting**

Time: June 10, 2022 (Friday), 9:00 a.m.

Venue: Conference Room, 4th Floor, No. 2-1, Section 1, Jinan Road, Taipei City  
(National Taiwan University Alumni Association)

### **I. Announcement of the Meeting**

### **II. Chairman's Speech**

### **III. Report Items**

(1) 2021 Annual Business Report

(2) Report of the Audit Committee on Review of the Financial Statements for the Year 2021

(3) Amendments to the "Code of Practice on Corporate Governance"

### **IV. Recognition**

(1) Approval of Business Report and Consolidated Financial Statements of the Company for the Year 2021

(2) Approval of Statement of Deficit Off-setting for the Year 2021 of the Company

### **V. Discussion Items**

(1) Amendments to the "Articles of Incorporation"

(2) Amendments to the "Operating Procedures for Acquisition or Disposal of Assets"

(3) Amendments to the "Rules of Procedure of the Shareholders' Meeting"

### **VI. Extemporaneous Motions**

### **VII. Adjournment of the Meeting**

## **Report Items**

1. 2021 Annual Business Report is submitted for publication.  
Note: For the Company's 2021 Annual Business Report, please refer to pages 7-13 (Attachment I) of this Manual.
2. The Report of the Audit Committee on Review of the Financial Statements for the Year 2021 is submitted for publication.  
Note: For the Report of the Audit Committee on Review of the Financial Statements for the Year 2021, please refer to page 14 (Attachment II) of this Manual.
3. The Amendments to the "Code of Practice on Corporate Governance" is submitted for publication.  
Note: The Company amends certain provisions of the Code of Practice on Corporate Governance in order to comply with the amendments to the decrees, laws and regulations of the competent authorities. Please refer to pages 31-33(Attachment V) of this Manual.

## **Recognition**

### **First proposal by the board of directors**

Approval of Business Report and Consolidated Financial Statements of the Company for the Year 2021 is submitted for approval.

Explanation: 1. The Consolidated Financial Statements of the Company for the Year 2021 have been audited by CPAs Wang Guohua and Liu Zimeng from PwC Taiwan, and have been approved by resolutions of the Fourth Session of the Fifth Audit Committee and the Fourth Session of the Fifth Board of Directors.

2. The 2021 Annual Business Report (please refer to pages 7-13 (Attachment I) of this Manual), the CPA's Audit Report and the Consolidated Financial Statements (please refer to pages 15-29 (Attachment III) of this Manual) are attached, which are submitted for approval.

Resolution:

### **Second proposal by the board of directors:**

The Statement of Deficit Off-setting of the Company for the Year 2021 is submitted for approval.

Explanation: 1. The undistributed earnings of the Company at the beginning of the period amounted to NT\$ 199,208,402. After deduction of the write-off of treasury stock of NT\$ 2,507,413, and addition of the changes in the remeasured amount of the defined benefit plan for the current period of NT\$ 368,307 and the conversion from the revolving special surplus reserve - the translation of the financial statements of a foreign operating institution of NT\$ 309,392 and net loss after tax of NT\$ 307,227,124 in 2021, the total loss yet to be made up at the end of the period was NT\$ 109,848,436. It is intended to use the statutory surplus reserve to make up for the loss of NT\$ 109,848,436, and thus the undistributed surplus at the end of the period after making up is NT\$ 0.

2. Please refer to page 30 of this Manual (Attachment IV) for the Statement of Deficit Off-setting for the Year 2021.

Resolution:

## **Discussion Items**

### **First proposal by the Board of Directors:**

The Amendments to the "Articles of Incorporation" are submitted for discussion.

Explanation: 1. The Company intends to amend certain provisions of the Articles of Incorporation of the Company in line with the amendments to the policies, decrees, laws and regulations of the competent authorities.  
2. For the comparison table of the amendments, please refer to pages 34-39 (Attachment VI) of this Manual.  
3. Submit for extraordinary resolution.

Resolution:

### **Second proposal by the Board of Directors:**

The Amendments to the "Operating Procedures for Acquisition or Disposal of Assets" are submitted for discussion.

Explanation: 1. The Company intends to amend certain provisions of the Operating Procedures for Acquisition or Disposal of Assets of the Company in line with the amendments to the decrees, laws and regulations of the competent authorities.  
2. For the comparison table of the amendments, please refer to pages 40-49 (Attachment VII) of this Manual.  
3. Submit for resolution.

Resolution:

### **Third proposal by the Board of Directors:**

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

Explanation: 1. The Company intends to amend certain provisions of the "Rules of Procedure of the Shareholders' Meeting" of the Company in line with the amendments to the decrees, laws and regulations of the competent authorities.  
2. For the comparison table of the amendments, please refer to pages 50-72 (Attachment VIII) of this Manual.  
3. Submit for resolution.

Resolution:

**Extempore Motion**

**Adjournment**

## **Attachment I Business Report**

### **Chapter I Letter to the Shareholders**

#### **1. Introduction**

In 2021, under the impact of the continued spread of COVID-19 in the second year on the world economy, the supply chain crisis intensified. Bulk goods rose to new highs since 2008. In addition, due to the constraints of the pandemic, consumption was weak, and the price of end consumer products was difficult to transmit. The harsh external environment at both ends of production and sales was rare for a century. Meanwhile, the emergence of a geopolitical crisis, the resulting restructuring of the supply chain, and the stimulation of the reversal of monetary policies by governments due to inflation, the expectation that stagflation may be derived has profoundly influenced traditional consumption trends. The treacherous external environment poses severe disruptions and challenges to the Company's operations throughout the year. Fortunately, under the prudent response of the operating management and all employees, the revenue still exceeded the level of the past two years, but the profitability resulted in a loss throughout the year due to the price hikes and high cost of raw materials. Based on this, the Company reviewed its operating performance over the past year, including the continuous deepening of product lines and access routes in the PRC market, the implementation of changes in production policies, and the development of new customer acquisition and new sales channels for external sales, all of which were driven in an orderly manner. The long-term goal is to firmly integrate into the development of smart home appliance products, and strive to develop and maintain the efficiency and diversity of the third leg of BtoB products online, and always focus on improving quality and building brand power to create sustainable business value for the company.

Last year, on the one hand, we continued to fine-tune the operation and manufacturing structure, deepen the integration of the Company's resources, and strengthen the manufacturing and sales capabilities of the Company's core products, while improving efficiency and eliminating ineffective production costs. In addition to promoting product price competitiveness, at the same time, we strengthen brand power and channel stickiness, manufacture home appliance products that meet consumers' desire to improve the needs of a better life, so as to increase the added value of products and develop brand premiums, I believe that with the effective promotion of these strategies, in the post-COVID era, positive improvements in operational performance can be expected in 2022.

The following is a report on the Company's operations for 2021 and future prospects for 2022:

The Company is the ultimate parent company of the Group after listing. It is mainly responsible for investment and holding. Its production base is located in Shenzhen Municipality, Guangdong Province and Jiujiang Municipality, Jiangxi Province in mainland China. The consolidated revenue in 2021 was NT\$ 10.156 billion. The consolidated loss after tax was NT\$ 307 million. The consolidated loss per share after tax was NT\$ 2.11. Looking forward to 2022, there are still many economic challenges globally including mainland China. In the face of the changes in the quality and quantity in the consumer market and the fierce competition in the small home appliance industry, the Company will focus on stable and sound operation, strengthen the overall synergy of the operation and management of each company, overcome and transform the constraints of the supply chain, actively explore the market and deepen the whole-process service of customers, closely cooperate and grow with the key customers with excellent asset quality, and build a competitive and sustainable enterprise based on the core values of the Company.

Looking forward to the Company's future development, due to the comprehensive poverty alleviation and consumption upgrading in mainland China, the consumption mode and demand spread to all-round development. Whether it is mode 82 or long-tail demand, there are broad markets due to

the large overall volume. At the same time, consumers' demand for the comfort, functionality and personalization of small home appliances is constantly increasing. We seek to seize this opportunity in the face of diversified competition and changes in the small home appliance market in mainland China, as well as the product demand in the domestic and foreign sales markets due to the pandemic and the changes in the supply chain. The Company and its re-investment subsidiaries within the Group will focus on responding to market demand, steadily deepen the existing customer base and expand the customer base and high-quality new customers. Since the listing, the operating team and all employees have demonstrated good faith and dedication in the company's operating credentials, demonstrated practical attitude, strengthened the operation of the industry, provided the small home appliance industry with excellent products that meet market demand, created the best interests of all shareholders and employees, and promoted ESG to return the expectations and love of shareholders, and expressed gratitude to shareholders for their continued support over the long term.

## 2. Operating results for 2021

### (1) Operating plan and implementation results for 2021

Unit: thousand NT\$

| Items                                                | 2021<br>Number of audit times | 2020<br>Number of audit times | Growth Rate |
|------------------------------------------------------|-------------------------------|-------------------------------|-------------|
| Consolidated operating revenue                       | 10,156,591                    | 9,207,346                     | 10.31%      |
| Consolidated operating gross profit                  | 1,122,400                     | 1,570,488                     | -28.53%     |
| Consolidated operating net profit                    | -365,514                      | 220,906                       | -265.46%    |
| Consolidated non-operating net revenue (expenditure) | 12,685                        | 2,973                         | 326.67%     |
| Consolidated net profit before tax                   | -352,829                      | 223,879                       | -257.60%    |
| Income tax expense                                   | 45,602                        | -67,640                       | -167.42%    |
| Total consolidated profit or loss                    | -307,227                      | 156,239                       | -296.64%    |

### (2) Financial revenue and expenditure and profitability

| Year                |                                    | 2021   | 2020   |
|---------------------|------------------------------------|--------|--------|
| Items               |                                    |        |        |
| Financial Structure | Debt ratio (%)                     | 72.29  | 66.08  |
| Solvency            | Current ratio (%)                  | 107.42 | 118.25 |
|                     | Quick Ratio (%)                    | 61.98  | 71.41  |
| Profitability       | Return on Assets (%)               | -2.94  | 2.12   |
|                     | Return on Shareholders' Equity (%) | -10.42 | 5.10   |
|                     | Net profit margin (%)              | -3.02  | 1.70   |
|                     | Earnings per share (NT\$)          | -2.11  | 1.08   |

### (3) Annual Research and New Technology Development Situation

#### 1. Results of annual research and new technology development

- (1) Project development of germicidal lamps for shoe cabinets
- (3) Development of large-volume PTC electric heater
- (4) Design and development of water cooling fan with cooling chip element (substitute for ice crystals)
- (5) Design and development of a bladeless fan with three air ducts which can automatically swing to adjust the air outlet area
- (6) Design and development of air-conditioners for variable frequency windows
- (7) Development of pet air conditioners
- (8) Application of electrolytic water sterilization technology
- (9) Application of natural wetting technology for hydrophilic wetting discs
- (10) All-in-one electric heater for clothes drying and heating
- (11) Superconducting cooling and heating loop fan
- (12) Research on the sterilization function of fresh air products

- (13) Research on the antibacterial function of Bathroom products
- (14) Light-sensitive touch
- (15) Development of inner wound motors
- (16) Development of flame skirting series electric heaters

## 2. Future research and new technology development plan

### (1) Short-term business development plan

- A. Development and research of wireless steam cleaning sweepers, floor washers, personal health and care products, and pet line products.
- B. Continuous increase of research on the application of semiconductor refrigeration chip and radar, battery and refrigeration chip small refrigerator.
- C. Design and development of humidifiers with large humidification capacity (2.5L/hour).
- D. Research and development of new types of electric heaters (flame mountains, tread lines with closed air outlet; graphene heat generators).
- E. Continuous increase of development and research on the application of needle structure and high-power inner wound motor.
- F. Voice recognition (offline + online), movement monitoring, gesture recognition and other new technologies are continuously introduced and applied to various products.
- G. Development of hydroxide ion air-cleaning ceiling fans.

### (2) Long-term business development plan

- A. Development of a series of home appliances for personal health, care and cleaning (disinfection, sterilization).
- B. Research and development of medical product lines.
- C. Research on the application of sensors and human-computer interaction (voice control) of smart home appliances.
- D. Research of various composite air processors (cooling, heating, humidification).
- E. Research on the DIY direction of fresh air products.
- F. Development and research on the application of high-value ratio external rotor DC motor.
- G. Development and research on the application of pet products

## 2. Summary of the business plan for the current year

- 1. Focus on strengthening the development of the Airmate brand to become a leading small home appliance enterprise with competitiveness and core value in domestic and foreign sales in mainland China, ensure qualitative and quantitative advantages, and strengthen three-win cooperation with suppliers and customers.
- 2. Continuously promote the localization of the talents of each company, establish the Group's business management model, and committed to the company's product strength and continuous development of new products, new customers and new markets, improvement of production optimization technology, continuous investment in efficient production lines, and reasonable management and control of expenses and costs to make the Company's operations collectively profitable.
- 3. Value the unity of labor and employer, create maximum profits for employees and shareholders, and fulfill corporate social responsibility.

### (2) Expected sales volume and its basis

The main markets of the Company's reinvested subsidiaries are located in mainland China, Northeast Asia, Southeast Asia, and Europe and the United States. Therefore, the estimated annual sales volume is mainly based on local industry-related statistical data,

major customer information feedback and judgments on future market supply and demand. In summary, the sales of the small home appliance business will experience a steady and significant growth in volume and amount compared to 2020.

### (3) Important production and sales policies

#### 1. External sales

- 1 Product sales in the Japanese and Korean markets and European and American markets maintained are steadily growing in two quarters. We actively develop customers in different industries, and assist customers in developing new products to tap the Southeast Asian market.
- 2 Focus on key customer and technology team without decoupling, deepen development and technology stickiness, increase the number of product development (enhance patent layout, patent licensed customers) to get orders.
- 3 Overall enhancement of the foreign sales services, including the integration of customer service platforms, the provision of IDM services, one-engine multi-sale, R&D awards and patent sharing, online sales and other strategies to improve service quality.

#### 2. Offline in China

1. Team integration: Nationwide offline division into two regions, south and north, and establish two regional directors, increase the operation support center, promote information-based operations, more accurate and efficient close-to-market management, improve the brand's service to dealers, partners and consumers, and empower dealers in the new retail era.
2. Product precision focus: Product explosion focus, SKU reduction, market alignment, sales efficiency, enhanced production and sales operations. At the same time, focus on the inventory turnover rate and amount of dealers and factories, reduce the inventory of dealers and factories at the end of the quarters, and finally realize order-based production.
3. Channel continued to be deeply cultivated: The development of the channel network has expanded, and more than 2,000 Airmate County/Township image stores continued to be built. In addition, strengthen the consumer experience by 3C and supermarket systems, and cooperate with the stores to invest in image building and train shopping guides to enhance their sales and marketing capacities, to achieve the increase in Airmate's single store retail sales and the proportion of sales of high-end products.
4. Embrace new channels: Actively embrace new sales channels, offline online batches, community group purchase platforms, JD.com specialty stores, Tmall premium products, actively expand new sales channels, increase offline meeting rates, and achieve greater brand exposure and output.

#### 3. Online in China

- Multi-platform virtuous development: Considering the different online consumer groups and sales models such as Taobao Tmall, JD.com, Suning.com, VIP.com, live broadcast and other major platforms, develop a differentiated product portfolio that matches the sales path of each platform to meet the needs of different consumers. Emphasize the development of other new sales channels such as Pinduoduo, Yunji, and NetEase Yeation. Establish vertical integration of sales and production to improve brand share across the network and channels. In addition, we will enter new sales in the secondary e-commerce channels, setting our sights on high-end target markets through emerging

focused private domain channels such as videos, content e-commerce, and information streaming e-commerce.

- By leveraging the high efficiency and focus of the online platform, the company focused on investing in clothes dryers, dehumidifiers, ventilators, bath heaters, foot baths, steam mops, and other niche small household appliances markets other than electric fans and heaters, in order to increase the product lines for the brand to achieve higher sustainable growth.
- Marketing transformation: Fully embrace mobile internet marketing, use emerging contact media to deeply interact with young consumers through live broadcast, short videos, Weibo, official accounts, Xiaohongshu and other social media, in order to achieve brand rejuvenation, enhance Airmate's popularity and prestige among various consumer groups, and improve brand influence.
- Visual system: Comprehensively improve the visual system: In the era of online marketing, content capabilities are becoming one of the core capabilities of the enterprise. We have established a visual center to unify the visual content system specifications of the brand, export high-quality marketing content, better disseminate the Airmate brand, and improve brand power.

#### **4. Future development strategy of the Company**

The company and its reinvested subsidiaries will continue to focus on the development in the industry, develop competitive high-margin products, continuously improve and develop new technologies, and pursue win-win cooperation with relevant stakeholders. The company is fully committed to the maintenance of brand power and customer loyalty, while actively responding to, exploring, and satisfying the deep needs of end customers in the market, and gaining recognition and orders from new markets, new customers, and new products through immediate response to market changes, thereby forming a flagship brand in the small home appliance market.

#### **V. Affected by external competitive environment, regulatory environment and overall operating environment**

##### **(1) Impact of the external competitive environment**

The small home appliance industry is in a fiercely competitive environment. The company and its subsidiaries will continue to exert their existing advantages to stay close to the market and strengthen product differentiation, and reasonably manage expenses and costs, to reduce the impact of the external competitive environment.

##### **(2) Impact of the regulatory environment**

The Company and its important subsidiaries have not suffered any punishment or loss in recent years from the changes in the regulatory environment.

##### **(3) Impact of the overall economic environment**

At present, the production and operation of the company's reinvested subsidiaries are in mainland China. Although the overall environment of the local small home appliance industry is fiercely competitive, as mainland China has fully entered the middle-income process, its economic development and per capita income have greatly increased, and its consumption power is growing,. And thanks to the increasing pursuit of product quality and high responsiveness to new products and applications, it is expected to continue to grow steadily in the future.

Respectfully, Peace and Joy, Long Blessings

AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED

President: Rui-Bin Shih

General Manager: Rui-Bin Shih

Accounting Manager: Mei-Hsiu Ho

## **Attachment II Report of the Audit Committee on Review of the Financial Statements**

### **Audit Committee Consent Report**

The Audit Committee agrees, by resolutions of the Board of Directors, that the Consolidated Financial Statements of the Group for the Year 2011 shall be audited by PwC Taiwan appointed by the Board of Directors, for which the said firm shall issue an audit report with unqualified opinion together with other matters.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

The CPAs have certified the Consolidated Financial Statements of the Group for the Year 2011 and communicated with the Audit Committee on the following matters:

1. No major audit findings are identified under the scope and timing of the audit planned by the CPAs.
2. The CPAs have provided the Audit Committee with a statement on independence that the persons whose firms are subject to the independence norms of such accountants has been complied with the Code of Professional Ethics of Accountants, and no other relationships and other matters that may be considered to affect the independence of accountants have been identified.
3. The CPAs have communicated with the Audit Committee regarding the key audit matters listed in the audit report.

The Consolidated Financial Statements of the Group for the Year 2011, as agreed by the Audit Committee and resolved by the Board of Directors, are in compliance with the relevant laws and regulations, as reported above in accordance with the provisions of Article 14-5 of the Securities and Exchange Act.

Audit Committee Convener: Qi Leiping  
March 21, 2022

**Attachment III CPA's Audit Report and Consolidated Financial Statements**

**Airmate (Cayman) International Co Limited**

**Declaration on the Consolidated Financial Statements of Affiliated Enterprises**

The entities that are required to be included in the Consolidated Financial Statements of the Company for the year of 2021 (from January 1, 2021 to December 31, 2021) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the Consolidated Financial Statements of the Parent and Subsidiary Companies in accordance with International Financial Reporting Standards No. 10. The relevant information which are required to be disclosed in the Consolidated Financial Statements of the Affiliates Enterprises has been disclosed in the aforementioned Consolidated Financial Statements of the Parent and Subsidiary Companies, hence, separate Consolidated Financial Statements of the Affiliates Enterprises will not be prepared separately.

Hereby declared by

Company Name: Airmate (Cayman) International Co Limited

Responsible person: Rui-Bin, Shih

March 21, 2022

## Certified Public Accountant's Audit Report

(22) Financial-Audit No. 21003611

Airmate (Cayman) International Co Limited:

### **Audit Opinion**

We, the Certified Public Accountant, have audited the Consolidated Balance Sheets of Airmate (Cayman) International Co Limited and its Subsidiaries (hereinafter referred to as the “Airmate Group”) as of December 31, 2021, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and the Notes to the Consolidated Financial Statements (including the Summary of Material Accounting Policies) for the period from January 1 to December 31, 2021.

In our opinion, the aforesaid Consolidated Financial statements have been prepared in all material respects in accordance with the International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee, which are approved by the Financial Supervisory Committee and the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are sufficient to fairly represent the consolidated financial position of the Airmate Group as of December 31, 2021 and the consolidated financial performance and consolidated cash flows for the period from January 1 to December 31, 2021.

### **Basis of Audit Opinion**

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

### **Key Audit Matters**

Key audit matters refer to those matters that, in the professional judgment of the Certified Public Accountant, are of the utmost significance for the audit of the 2021 Consolidated Financial Statements of the Airmate Group. These matters have been addressed in the process of our audit on the overall Consolidated Financial Statements, and in forming our opinion thereon. Hence, we will not provide a separate opinion on these matters.

The Key Audit Matters of the 2021 Consolidated Financial Statements of the Airmate Group are as follows:

### **The Existence of the Recognition of Revenue from the Top Ten Sales Customers**

#### Description of the Key Audit Matter

For details on the accounting policy on revenue recognition, please refer to Note 4 (32) of the Consolidated Financial Statements. For details on the accounting items of operating income, please refer to Note 6 (25) of the Consolidated Financial Statements.

The operating income of the Airmate Group is derived from customer contract revenue. The Company principally engaged in the manufacture and sale of household appliances. The operating income is one of the main indicators for the evaluation of business performance of Management and is a matter of concern to users or recipients of reports. Therefore, the existence of recognition of revenue from the top ten customers is listed as one of the key items to be audited in the current year by the Certified Public Accountant.

#### Corresponding audit procedures

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

1. Understand, evaluate and test the design and implementation of internal control procedures for the recognition of sales revenue from the top ten customers.
2. Obtain the details of the sales revenue from the top ten customers, and sample customer orders, delivery documents, sales invoices, and collection records.
3. Review the details of any sales returns and discounts of the top ten customers that occurred after the specific period and relevant supporting documents.
4. In respect of the balances of accounts receivable of the top ten customers at the end of the period, sample the letters issued, and reconcile or alternatively review the reply letters and non-responded letters.

### **Estimation on the Impairment of Accounts Receivable**

#### Description of the Key Audit Matter

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

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

### Corresponding audit procedures

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

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

### **Provision for Inventory Falling Price Loss**

#### Description of the Key Audit Matter

For details on the accounting policy for inventory valuation, please refer to Note 4 (13) of the Consolidated Financial Statements; for the accounting estimates for inventory valuation and the explanation of the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements; and for the explanation of important accounting items for inventory, please refer to Note 6 (7) of the Consolidated Financial Statements.

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

#### Corresponding audit procedures

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

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

### **Other matters – Audit by other Certified Public Accountants in the preceding periods**

The Consolidated Financial Statements of the Airmate Group for the year 2020 were audited by other Certified Public Accountant and an unqualified audit report was issued on March 15, 2021.

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

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

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

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

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

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

The Certified Public Accountant uses professional judgment and maintains professional suspicion when carrying out the audit in accordance with the Generally Accepted Auditing Standards of the Republic of China. The Certified Public Accountant will also perform the following duties:

1. Identify and evaluate the risk of material misstatements in the Consolidated Financial Statements

due to fraud or error; design and carry out appropriate countermeasures on the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. The risk of not being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes because fraud may involve conspiracy, forgery, intentional omission, false statement or overstepping internal control.

2. Understanding internal control relevant to the audit in order to design audit procedures that are appropriate in that particular circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Airmate Group.
3. Evaluating the appropriateness of the accounting policy adopted by the Management and the reasonableness of the accounting estimates and related disclosures made accordingly.
4. Concluding on the appropriateness of the Management's use of going concern basis of accounting, and determining whether there existed events or circumstances that might cast significant uncertainty over Airmate Group's ability to continue operation as a going concern based on the audit evidence obtained. If the Certified Public Accountant is of the opinion that a material uncertainty exists, the users of the Consolidated Financial Statements should be reminded to pay attention to the relevant disclosures in the Consolidated Financial Statements, or modify the audit opinion when the disclosures are inappropriate. The Certified Public Accountant's conclusions are based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Airmate Group to no longer have the capacity to operate as a going concern.
5. Assessing the overall presentation, structure and content of the Consolidated Financial Statements (including the related Notes) and whether the Consolidated Financial Statements appropriately represented the related transactions and events.
6. Obtaining adequate and appropriate audit evidence of the financial information of the Group's constituent entities so as to express an opinion on the Consolidated Financial Statements. The Certified Public Accountant is responsible for the guidance, supervision, and execution of the audit on the Airmate Group and is responsible for forming audit opinions on the Airmate Group.

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

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

From the matters communicated with the governing bodies, the Certified Public Accountant has determined the Key Audit Matters of the 2021 Consolidated Financial Statements of the Airmate Group. The accountant has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the accountant decided not to communicate

specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

PricewaterhouseCoopers Taiwan

Guo-hua, Wang

Certified Public Accountant

Zi-Meng, Liu

Former Ministry of Finance Securities and Futures Commission  
Approval Certificate No.: (87) Taiwan-Finance-Certificate (VI)  
No. 68790

Former Ministry of Finance Securities Regulatory Commission  
Approval Certificate No.: (84) Taiwan-Finance-Certificate (VI)  
No. 29174

March 21, 2022

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2021 and 2020

Unit: Thousand NTD

| Assets             |                                                                     |               | December 31, 2021 |     | December 31, 2020 |     |
|--------------------|---------------------------------------------------------------------|---------------|-------------------|-----|-------------------|-----|
| Note               |                                                                     |               | Amount            | %   | Amount            | %   |
| Current Assets     |                                                                     |               |                   |     |                   |     |
| 1100               | Cash and Cash Equivalents                                           | 6(1)          | \$ 449,654        | 5   | \$ 443,712        | 5   |
| 1110               | Financial Assets at Fair Value through Profit or Loss - Current     | 6(2)          | 4,477             | -   | 72,010            | 1   |
| 1136               | Financial Assets at Amortized Cost - Current                        | 6(3) and 8    | 440,290           | 4   | 223,214           | 2   |
| 1150               | Net Amount of Notes Receivable                                      | 6(4), 7 and 8 | 1,322,860         | 13  | 621,196           | 7   |
| 1170               | Net Amount of Accounts Receivable                                   | 6(4) and 7    | 1,165,669         | 12  | 1,562,302         | 17  |
| 1200               | Other Receivables                                                   | 6(5) and (6)  | 29,055            | -   | 32,149            | -   |
| 130X               | Inventories                                                         | 5 and 6(7)    | 2,704,450         | 27  | 2,127,184         | 23  |
| 1410               | Advance Payment                                                     | 6(8)          | 258,719           | 3   | 220,103           | 2   |
| 1479               | Other Current Assets - Others                                       | 6(2)          | 35,890            | -   | 59,623            | 1   |
| 1481               | Rights of Pending Returning Products - Current                      | 6(25)         | 65,266            | 1   | 104,021           | 1   |
| 11XX               | Total Current Assets                                                |               | 6,476,330         | 65  | 5,465,514         | 59  |
| Non-current Assets |                                                                     |               |                   |     |                   |     |
| 1510               | Financial Assets at Fair Value through Profit or Loss - Non-current | 6(2) and (19) | 36                | -   | 150               | -   |
| 1535               | Financial Assets at Amortized Cost - Non-current                    | 6(3) and 8    | -                 | -   | 106,396           | 1   |
| 1550               | Investments Accounted for Using the Equity Method                   | 6(9)          | 31,342            | -   | 27,258            | -   |
| 1600               | Property, Plant and Equipment                                       | 6(10) and 8   | 2,901,797         | 29  | 3,135,215         | 34  |
| 1755               | Right-of-use Assets                                                 | 6(11)         | 204,682           | 2   | 210,874           | 2   |
| 1780               | Intangible Assets                                                   | 6(12)         | 5,556             | -   | 7,749             | -   |
| 1840               | Deferred Income Tax Assets                                          | 6(31)         | 233,231           | 3   | 177,912           | 2   |
| 1990               | Other Non-current Assets - Others                                   | 6(13) and 8   | 96,746            | 1   | 122,274           | 2   |
| 15XX               | Total Non-current Assets                                            |               | 3,473,390         | 35  | 3,787,828         | 41  |
| 1XXX               | Total Assets                                                        |               | \$ 9,949,720      | 100 | \$ 9,253,342      | 100 |

(Continued on the next page)

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2021 and 2020

Unit: Thousand NTD

| Liabilities and Equities                                                                                                           |                                                                      | Note              | December 31, 2021   |            | December 31, 2020   |            |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------|---------------------|------------|---------------------|------------|
|                                                                                                                                    |                                                                      |                   | Amount              | %          | Amount              | %          |
| <b>Current Liabilities</b>                                                                                                         |                                                                      |                   |                     |            |                     |            |
| 2100                                                                                                                               | Short-term loans                                                     | 6(14) and 8       | \$ 759,392          | 8          | \$ 315,302          | 3          |
| 2120                                                                                                                               | Financial Liabilities at Fair Value through Profit or Loss - Current | 6(2)              | -                   | -          | 178                 | -          |
| 2130                                                                                                                               | Contract Liabilities - Current                                       | 6(25)             | 252,743             | 2          | 309,422             | 3          |
| 2150                                                                                                                               | Notes Payable                                                        | 6(15) and 8       | 1,795,376           | 18         | 1,774,409           | 19         |
| 2170                                                                                                                               | Accounts Payable                                                     | 7                 | 2,247,637           | 23         | 1,251,435           | 14         |
| 2200                                                                                                                               | Other Payables                                                       | 6(16) and 7       | 548,801             | 5          | 669,542             | 7          |
| 2230                                                                                                                               | Current Income Tax Liabilities                                       |                   | 293                 | -          | 117,788             | 1          |
| 2250                                                                                                                               | Provision - Current                                                  | 6(17)             | 27,975              | -          | 42,265              | 1          |
| 2320                                                                                                                               | Long-term Liabilities Due within One Year or One Operating Cycle     | 6(18), (19) and 8 | 298,402             | 3          | -                   | -          |
| 2365                                                                                                                               | Refund Liabilities - Current                                         | 6(25)             | 94,350              | 1          | 141,676             | 2          |
| 2399                                                                                                                               | Other Current Liabilities - Others                                   |                   | 3,957               | -          | -                   | -          |
| 21XX                                                                                                                               | <b>Total Current Liabilities</b>                                     |                   | <u>6,028,926</u>    | <u>60</u>  | <u>4,622,017</u>    | <u>50</u>  |
| <b>Non-current Liabilities</b>                                                                                                     |                                                                      |                   |                     |            |                     |            |
| 2530                                                                                                                               | Corporate Bonds Payable                                              | 6(19) and 8       | 348,814             | 4          | 679,997             | 8          |
| 2540                                                                                                                               | Long-term Loans                                                      | 6(18)             | 8,030               | -          | -                   | -          |
| 2640                                                                                                                               | Net Defined Benefit Liabilities - Non-current                        | 6(20)             | 34,716              | -          | 32,625              | -          |
| 2645                                                                                                                               | Security Deposits Received                                           |                   | 110,870             | 1          | 111,485             | 1          |
| 2670                                                                                                                               | Other Non-current Liabilities - Others                               | 6(21) and 12      | 661,440             | 7          | 668,302             | 7          |
| 25XX                                                                                                                               | <b>Total Non-current Liabilities</b>                                 |                   | <u>1,163,870</u>    | <u>12</u>  | <u>1,492,409</u>    | <u>16</u>  |
| 2XXX                                                                                                                               | <b>Total Liabilities</b>                                             |                   | <u>7,192,796</u>    | <u>72</u>  | <u>6,114,426</u>    | <u>66</u>  |
| <b>Equities Attributable to Owners of Parent Company</b>                                                                           |                                                                      |                   |                     |            |                     |            |
| <b>Share Capital</b>                                                                                                               |                                                                      |                   |                     |            |                     |            |
| 3110                                                                                                                               | Common Stock                                                         | 6(22)             | 1,455,445           | 15         | 1,395,876           | 15         |
| <b>Capital Surplus</b>                                                                                                             |                                                                      |                   |                     |            |                     |            |
| 3200                                                                                                                               | Capital Surplus                                                      | 6(23)             | 1,231,625           | 12         | 1,224,541           | 13         |
| <b>Retained Earnings</b>                                                                                                           |                                                                      |                   |                     |            |                     |            |
| 3310                                                                                                                               | Legal Reserve                                                        | 6(24)             | 179,704             | 2          | 164,618             | 2          |
| 3320                                                                                                                               | Special Reserve                                                      |                   | 261,489             | 3          | 363,822             | 4          |
| 3350                                                                                                                               | Undistributed Earnings                                               |                   | ( 110,158)          | ( 1)       | 251,548             | 3          |
| <b>Other Equities</b>                                                                                                              |                                                                      |                   |                     |            |                     |            |
| 3400                                                                                                                               | Other Equities                                                       |                   | ( 261,181)          | ( 3)       | ( 261,489)          | ( 3)       |
| 3XXX                                                                                                                               | <b>Total Equities</b>                                                |                   | <u>2,756,924</u>    | <u>28</u>  | <u>3,138,916</u>    | <u>34</u>  |
| <b>Significant Contingent Liabilities and Unrecognized Contractual Commitments Significant Events after the Balance Sheet Date</b> |                                                                      |                   |                     |            |                     |            |
| 3X2X                                                                                                                               | <b>Total Liabilities and Equities</b>                                | 9                 | <u>\$ 9,949,720</u> | <u>100</u> | <u>\$ 9,253,342</u> | <u>100</u> |

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

Chairman of the Board: Rui-Bin, Shih

Manager: Rui-Bin, Shih

Accounting Supervisor: Mei-Hsiu, Ho

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD  
(Except for the Earnings (Loss) per share in NTD)

|      | Item                                                                                                 | Note                                     | 2021<br>Amount | %     | 2020<br>Amount | %     |
|------|------------------------------------------------------------------------------------------------------|------------------------------------------|----------------|-------|----------------|-------|
| 4000 | Operating Income                                                                                     | 6(25) and 7                              | \$ 10,156,591  | 100   | \$ 9,207,346   | 100   |
| 5000 | Operating Cost                                                                                       | 6(7), (12),<br>(20), (29),<br>(30) and 7 | ( 9,039,549)   | ( 89) | ( 7,641,207)   | ( 83) |
| 5900 | Gross Profit                                                                                         |                                          | 1,117,042      | 11    | 1,566,139      | 17    |
| 5910 | Unrealized Sales Profit                                                                              | 6(9)                                     | ( 24,801)      | -     | ( 8,936)       | -     |
| 5920 | Realized Sales Profit                                                                                | 6(9)                                     | 30,159         | -     | 13,285         | -     |
| 5950 | Net Operating Profit                                                                                 |                                          | 1,122,400      | 11    | 1,570,488      | 17    |
|      | Operating Expenses                                                                                   | 6(12), (20),<br>(29), (30)<br>, 7 and 12 |                |       |                |       |
| 6100 | Selling Expenses                                                                                     |                                          | ( 1,037,332)   | ( 10) | ( 897,510)     | ( 10) |
| 6200 | Administrative Expenses                                                                              |                                          | ( 284,693)     | ( 3)  | ( 342,834)     | ( 3)  |
| 6300 | Research and Development<br>Expense                                                                  |                                          | ( 119,531)     | ( 1)  | ( 107,717)     | ( 1)  |
| 6450 | Expected Credit Loss                                                                                 |                                          | ( 46,358)      | -     | ( 1,521)       | -     |
| 6000 | Total Operating Expenses                                                                             |                                          | ( 1,487,914)   | ( 14) | ( 1,349,582)   | ( 14) |
| 6900 | Operating Profit (Loss)                                                                              |                                          | ( 365,514)     | ( 3)  | 220,906        | 3     |
|      | Non-operating Income and<br>Expenses                                                                 |                                          |                |       |                |       |
| 7100 | Interest Income                                                                                      |                                          | 18,023         | -     | 34,079         | -     |
| 7010 | Other Incomes                                                                                        | 6(26)                                    | 63,126         | -     | 70,495         | 1     |
| 7020 | Other Gains and Losses                                                                               | 6(27) and<br>12                          | ( 38,051)      | -     | ( 56,119)      | ( 1)  |
| 7050 | Finance Costs                                                                                        | 6(28)                                    | ( 29,285)      | -     | ( 42,740)      | -     |
| 7060 | Share of Profit or Loss of<br>Associates and Joint Ventures<br>Recognized under Equity<br>Method     | 6(9)                                     | ( 1,128)       | -     | ( 2,742)       | -     |
| 7000 | Total Non-operating Income<br>and Expenses                                                           |                                          | 12,685         | -     | 2,973          | -     |
| 7900 | <b>Net Profit (Loss) Before Tax</b>                                                                  |                                          | ( 352,829)     | ( 3)  | 223,879        | 3     |
| 7950 | Income Tax Profit (Expense)                                                                          | 6(31)                                    | 45,602         | -     | ( 67,640)      | ( 1)  |
| 8200 | <b>Net Profit (Loss)</b>                                                                             |                                          | (\$ 307,227)   | ( 3)  | \$ 156,239     | 2     |
|      | <b>Other Comprehensive Income</b>                                                                    |                                          |                |       |                |       |
|      | <b>Items not Reclassified to Profit<br/>or Loss:</b>                                                 |                                          |                |       |                |       |
| 8311 | Re-measurements of Defined<br>Benefit Plans                                                          | 6(20)                                    | \$ 368         | -     | (\$ 1,728)     | -     |
|      | <b>Items that may Subsequently<br/>be Reclassified to Profit or<br/>Loss:</b>                        |                                          |                |       |                |       |
| 8361 | Exchange Differences from<br>Translation of Financial<br>Statements of Foreign<br>Operating Entities |                                          | 308            | -     | 102,334        | 1     |
| 8300 | <b>Other Comprehensive Profit or<br/>Loss (Net)</b>                                                  |                                          | \$ 676         | -     | \$ 100,606     | 1     |
| 8500 | <b>Total Comprehensive Income</b>                                                                    |                                          | (\$ 306,551)   | ( 3)  | \$ 256,845     | 3     |
|      | Net Profit (Loss) attributable to:                                                                   |                                          |                |       |                |       |
| 8610 | Owners of Parent Company                                                                             |                                          | (\$ 307,227)   | ( 3)  | \$ 156,239     | 2     |
|      | Total Comprehensive Income<br>Attributable to:                                                       |                                          |                |       |                |       |
| 8710 | Owners of Parent Company                                                                             |                                          | (\$ 306,551)   | ( 3)  | \$ 256,845     | 3     |
|      | Earnings (Loss) Per Share                                                                            | 6(32)                                    |                |       |                |       |
| 9750 | Basic                                                                                                |                                          | (\$ 2.11)      |       | \$ 1.08        |       |
| 9850 | Diluted                                                                                              |                                          | (\$ 2.11)      |       | \$ 1.07        |       |

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

Chairman of the Board: Rui-Bin, Shih

Manager: Rui-Bin, Shih

Accounting Supervisor: Mei-Hsiu, Ho

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

| Equities Attributable to Owners of Parent Company                                                                       |                      |                   |                 |               |                 |                           |                                                                                                   |                    |              |                                  |              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|-----------------|---------------|-----------------|---------------------------|---------------------------------------------------------------------------------------------------|--------------------|--------------|----------------------------------|--------------|
|                                                                                                                         |                      | Retained Earnings |                 |               |                 |                           | Foreign Operating<br>Entities<br>Financial<br>Statement<br>Currency<br>Translation<br>Differences | Treasury<br>Shares | Total        | Non-<br>controlling<br>Interests | Total Equity |
|                                                                                                                         | Note                 | Common Stock      | Capital Surplus | Legal Reserve | Special Reserve | Undistributed<br>Earnings |                                                                                                   |                    |              |                                  |              |
| 2020                                                                                                                    |                      |                   |                 |               |                 |                           |                                                                                                   |                    |              |                                  |              |
| Balance as of January 1, 2020                                                                                           |                      | \$ 1,368,506      | \$ 1,223,135    | \$ 139,426    | \$ 362,409      | \$ 264,152                | ( \$ 363,823 )                                                                                    | \$ -               | \$ 2,993,805 | \$ 15,288                        | \$ 3,009,093 |
| Net Profit of the Current Period                                                                                        |                      | -                 | -               | -             | -               | 156,239                   | -                                                                                                 | -                  | 156,239      | -                                | 156,239      |
| Other Comprehensive Income of the<br>Current Period                                                                     |                      | -                 | -               | -             | -               | ( 1,728 )                 | 102,334                                                                                           | -                  | 100,606      | -                                | 100,606      |
| Total Comprehensive Income                                                                                              |                      | -                 | -               | -             | -               | 154,511                   | 102,334                                                                                           | -                  | 256,845      | -                                | 256,845      |
| Appropriation and Distribution of 2019<br>Retained Earnings:                                                            |                      |                   |                 |               |                 |                           |                                                                                                   |                    |              |                                  |              |
| Setting Aside Legal Reserve                                                                                             |                      | -                 | -               | 25,192        | -               | ( 25,192 )                | -                                                                                                 | -                  | -            | -                                | -            |
| Setting Aside Special Reserve                                                                                           |                      | -                 | -               | -             | 1,413           | ( 1,413 )                 | -                                                                                                 | -                  | -            | -                                | -            |
| Cash Dividends for Ordinary Shares                                                                                      | 6(24)                | -                 | -               | -             | -               | ( 109,480 )               | -                                                                                                 | -                  | ( 109,480 )  | -                                | ( 109,480 )  |
| Share Dividend for Ordinary Shares                                                                                      | 6(22) and (24)       | 27,370            | -               | -             | -               | ( 27,370 )                | -                                                                                                 | -                  | -            | -                                | -            |
| Issuance of Convertible Corporate Bonds                                                                                 | 6(19) and (23)       | -                 | 12,365          | -             | -               | -                         | -                                                                                                 | -                  | 12,365       | -                                | 12,365       |
| Redemption of Convertible Corporate<br>Bonds                                                                            | 6(19) and (23)       | -                 | ( 10,959 )      | -             | -               | -                         | -                                                                                                 | -                  | ( 10,959 )   | -                                | ( 10,959 )   |
| Difference between the Price Received<br>from Acquisition or Disposal of Interest<br>in Subsidiaries and the Book Value | 6(33)                | -                 | -               | -             | -               | ( 3,660 )                 | -                                                                                                 | -                  | ( 3,660 )    | ( 15,288 )                       | ( 18,948 )   |
| Balance as of December 31, 2020                                                                                         |                      | \$ 1,395,876      | \$ 1,224,541    | \$ 164,618    | \$ 363,822      | \$ 251,548                | ( \$ 261,489 )                                                                                    | \$ -               | \$ 3,138,916 | \$ -                             | \$ 3,138,916 |
| 2021                                                                                                                    |                      |                   |                 |               |                 |                           |                                                                                                   |                    |              |                                  |              |
| Balance as of January 1, 2021                                                                                           |                      | \$ 1,395,876      | \$ 1,224,541    | \$ 164,618    | \$ 363,822      | \$ 251,548                | ( \$ 261,489 )                                                                                    | \$ -               | \$ 3,138,916 | \$ -                             | \$ 3,138,916 |
| Net Loss of the Current Period                                                                                          |                      | -                 | -               | -             | -               | ( 307,227 )               | -                                                                                                 | -                  | ( 307,227 )  | -                                | ( 307,227 )  |
| Other Comprehensive Income of the<br>Current Period                                                                     |                      | -                 | -               | -             | -               | 368                       | 308                                                                                               | -                  | 676          | -                                | 676          |
| Total Comprehensive Income                                                                                              |                      | -                 | -               | -             | -               | ( 306,859 )               | 308                                                                                               | -                  | ( 306,551 )  | -                                | ( 306,551 )  |
| Appropriation and Distribution of 2020<br>Retained Earnings:                                                            |                      |                   |                 |               |                 |                           |                                                                                                   |                    |              |                                  |              |
| Setting Aside Legal Reserve                                                                                             |                      | -                 | -               | 15,086        | -               | ( 15,086 )                | -                                                                                                 | -                  | -            | -                                | -            |
| Reversal of Special Reserve                                                                                             |                      | -                 | -               | -             | ( 102,333 )     | 102,333                   | -                                                                                                 | -                  | -            | -                                | -            |
| Cash Dividends for Ordinary Shares                                                                                      | 6(24)                | -                 | -               | -             | -               | ( 83,753 )                | -                                                                                                 | -                  | ( 83,753 )   | -                                | ( 83,753 )   |
| Share Dividend for Ordinary Shares                                                                                      | 6(22) and (24)       | 55,835            | -               | -             | -               | ( 55,835 )                | -                                                                                                 | -                  | -            | -                                | -            |
| Conversion of Convertible Corporate<br>Bonds                                                                            | 6(19), (22) and (23) | 13,704            | 22,022          | -             | -               | -                         | -                                                                                                 | -                  | 35,726       | -                                | 35,726       |
| Redemption of Convertible Corporate<br>Bonds                                                                            | 6(19) and (23)       | -                 | ( 152 )         | -             | -               | -                         | -                                                                                                 | -                  | ( 152 )      | -                                | ( 152 )      |
| Repurchase of Treasury Shares                                                                                           | 6(22)                | -                 | -               | -             | -               | -                         | -                                                                                                 | ( 27,262 )         | ( 27,262 )   | -                                | ( 27,262 )   |
| Write-off of Treasury Shares                                                                                            | 6(22) and (23)       | ( 9,970 )         | ( 14,786 )      | -             | -               | ( 2,506 )                 | -                                                                                                 | 27,262             | -            | -                                | -            |
| Balance as of December 31, 2021                                                                                         |                      | \$ 1,455,445      | \$ 1,231,625    | \$ 179,704    | \$ 261,489      | ( \$ 110,158 )            | ( \$ 261,181 )                                                                                    | \$ -               | \$ 2,756,924 | \$ -                             | \$ 2,756,924 |

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

Chairman of the Board: Rui-Bin, Shih

Manager: Rui-Bin, Shih

Accounting Supervisor: Mei-Hsiu,  
Ho

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

|                                                                                                   | Note                  | 2021           | 2020        |
|---------------------------------------------------------------------------------------------------|-----------------------|----------------|-------------|
| <u>Cash Flows from Operating Activities</u>                                                       |                       |                |             |
| Net Profit (Loss) Before Tax for the Current Period                                               |                       | ( \$ 352,829 ) | \$ 223,879  |
| Adjustment Items:                                                                                 |                       |                |             |
| Revenue and Expense Items                                                                         |                       |                |             |
| Expected Credit Loss                                                                              | 12                    | 46,358         | 1,521       |
| Depreciation Expense                                                                              | 6(10), (11), and (29) | 410,642        | 340,639     |
| Amortization Expense                                                                              | 6(12) and (29)        | 4,993          | 5,663       |
| Interest Expense                                                                                  | 6(28)                 | 29,285         | 42,740      |
| Interest Income                                                                                   |                       | ( 18,023 )     | ( 34,079 )  |
| Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method           | 6(9)                  | 1,128          | 2,742       |
| Net Loss (Gain) on Financial Assets and Liabilities Measured at Fair Value through Profit or Loss | 6(27)                 | ( 4,588 )      | 554         |
| Loss (Gain) on Disposal of Property, Plant and Equipment                                          | 6(27)                 | ( 775 )        | 7,663       |
| Expenses for Transfer and Reclassification of Property, Plant and Equipment                       | 6(10)                 | 25,437         | 33,149      |
| Gain on Redemption of Convertible Corporate Bonds                                                 | 6(19) and (27)        | ( 297 )        | ( 10,959 )  |
| Unrealized Sales Profit                                                                           | 6(9)                  | 24,801         | 8,936       |
| Realized Sales Profit                                                                             | 6(9)                  | ( 30,159 )     | ( 13,285 )  |
| Unrealized Foreign Currency Exchange Loss                                                         |                       | ( 579 )        | 3,170       |
| Amortization of Long-term Deferred Income                                                         | 6(26)                 | ( 3,267 )      | ( 3,222 )   |
| Changes in Assets/Liabilities related to Operating Activities                                     |                       |                |             |
| Net Changes in Assets related to Operating Activities                                             |                       |                |             |
| Financial Assets at Fair Value through Profit or Loss                                             |                       | 71,626         | ( 70,519 )  |
| Notes Receivable                                                                                  |                       | ( 705,044 )    | ( 105,307 ) |
| Accounts Receivable                                                                               |                       | 332,921        | ( 342,238 ) |
| Other Receivables                                                                                 |                       | 3,446          | -           |
| Inventories                                                                                       |                       | ( 587,482 )    | ( 52,691 )  |
| Advance Payment                                                                                   |                       | ( 40,768 )     | -           |
| Other Current Assets                                                                              |                       | 60,348         | ( 36,762 )  |
| Net Changes in Liabilities related to Operating Activities                                        |                       |                |             |
| Contract Liabilities                                                                              |                       | ( 53,170 )     | 88,451      |
| Notes Payable                                                                                     |                       | 20,967         | 166,334     |

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

|                                               | <u>Note</u> | <u>2021</u>     | <u>2020</u>       |
|-----------------------------------------------|-------------|-----------------|-------------------|
| Accounts Payable                              |             | 1,004,062       | 122,993           |
| Other Payables                                | (           | 109,951 )       | ( 2,185 )         |
| Provision - Current                           | (           | 14,064 )        | 21,709            |
| Refund Liabilities - Current                  | (           | 46,566 )        | 44,405            |
| Other Current Liabilities - Others            |             | 3,957           | -                 |
| Net Defined Benefit Liabilities - Non-current |             | <u>2,459</u>    | <u>2,180</u>      |
| Cash Inflow Generated from Operations         |             | 74,868          | 445,481           |
| Interest Received                             |             | 17,945          | 34,079            |
| Interest Paid                                 | (           | 29,083 )        | ( 45,360 )        |
| Income Tax Paid                               | (           | <u>23,549 )</u> | <u>( 42,535 )</u> |
| Net Cash Inflow from Operating Activities     |             | <u>40,181</u>   | <u>391,665</u>    |

(Continued on the next page)

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

|                                                      | <u>Note</u>    | <u>2021</u>      | <u>2020</u>   |
|------------------------------------------------------|----------------|------------------|---------------|
| <u>Cash Flows from Investment Activities</u>         |                |                  |               |
| Acquisition of Financial Assets at Amortized Cost    |                | ( \$ 1,313,195 ) | \$ -          |
| Disposal of Financial Assets at Amortized Cost       |                | 1,198,742        | 151,551       |
| Acquisition of Property, Plant and Equipment         | 6(10)          | ( 180,826 )      | ( 166,584 )   |
| Disposal of Property, Plant, and Equipment           |                | 31,198           | 54,553        |
| Acquisition of Intangible Assets                     | 6(12)          | ( 2,207 )        | ( 1,627 )     |
| Acquisition of Right-of-use Assets                   | 6(11)          | -                | ( 84,008 )    |
| Increase in Advance Payments for Equipment           |                | ( 41,304 )       | -             |
| Other Non-current Assets - Other Decrease (Increase) |                | 1,787            | ( 10,064 )    |
| Net Cash Outflow from Investment Activities          |                | ( 305,805 )      | ( 56,179 )    |
| <u>Cash Flows from Financing Activities</u>          |                |                  |               |
| Proceeds from Short-term Loans                       | 6(35)          | 2,779,632        | 1,770,858     |
| Repayment of Short-term Loans                        | 6(35)          | ( 2,330,118 )    | ( 1,993,948 ) |
| Proceeds from Long-term Loans                        | 6(35)          | 8,683            | -             |
| Repayment of Long-term Loans                         | 6(35)          | ( 132 )          | ( 42,730 )    |
| Issuance of Convertible Corporate Bonds              | 6(35)          | -                | 396,572       |
| Redemption of Convertible Corporate Bonds            | 6(19) and (35) | ( 4,567 )        | ( 443,200 )   |
| Increase (Decrease) in Security Deposits Received    | 6(35)          | ( 15 )           | 15,517        |
| Other Non-current Liabilities - Other                | 6(35)          | -                | 45,874        |

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

|                                                              | <u>Note</u> | <u>2021</u>       | <u>2020</u>        |
|--------------------------------------------------------------|-------------|-------------------|--------------------|
| Increase                                                     |             |                   |                    |
| Repurchase of Treasury Shares                                | 6(22)       | ( 27,262 )        | -                  |
| Cash Dividends Paid                                          | 6(24)       | ( 83,753 )        | ( 109,480 )        |
| Acquisition of Non-controlling Interests                     | 6(33)       | -                 | ( 18,948 )         |
| Net Cash Inflow (Outflow) from Financing Activities          |             | <u>342,468</u>    | <u>( 379,485 )</u> |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents |             | <u>( 70,902 )</u> | <u>74,772</u>      |
| Increase in Cash and Cash Equivalents in the Current Period  |             | 5,942             | 30,773             |
| Cash and Cash Equivalents at Beginning of the Current Period | 6(1)        | 443,712           | 412,939            |
| Cash and Cash Equivalents at End of the Current Period       | 6(1)        | <u>\$ 449,654</u> | <u>\$ 443,712</u>  |

# Attachment IV Statement of Deficit Off-setting

## AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED Statement of Deficit Off-setting for the Year 2021

Unit: NT\$

| Items                                                                                                                                  | Amount         |                      |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
| <b>Undistributed earnings at the beginning of the period</b>                                                                           |                | <b>199,208,402</b>   |
| Plus (less):                                                                                                                           |                |                      |
| Write-off of treasury stock                                                                                                            | (2,507,413)    |                      |
| Changes in the remeasured amount of the defined benefit plan for the current period                                                    | 368,307        |                      |
| Conversion from the revolving special surplus reserve - the translation of the financial statements of a foreign operating institution | 309,392        |                      |
| Net loss after tax for the current period                                                                                              | ( 307,227,124) |                      |
| <b>Loss yet to be made up</b>                                                                                                          |                | <b>(109,848,436)</b> |
| Plus (less):                                                                                                                           |                |                      |
| Statutory surplus reserve to make up for the deficit                                                                                   | -              | <b>109,848,436</b>   |
| <b>Undistributed earnings at the end of the period</b>                                                                                 |                | <b>0</b>             |

## Attachment V Comparison Table of the "Code of Practice on Corporate Governance"

| Provisions | Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10         | <p>Article 10<br/>The Company shall attach importance to the shareholder's right to know and prevent insider trading, and shall abide by the relevant provisions on information disclosure, and provide information to shareholders on a regular and timely basis on the Company's financial, business, insider shareholding and corporate governance situations using the Market Observation Post System or the website set up by the Company.</p> <p><u>The preceding paragraph shall apply to stock trading control measures taken by an insider of an exchange-listed or OTC-listed company from the date on which he becomes aware of the contents of the company's financial reports or related results, including, but not limited to, that a director may not trade his stock during the closing period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.</u></p> | <p>Article 10<br/>The Company shall attach importance to the shareholder's right to know, and shall abide by the relevant provisions on information disclosure, and provide information to shareholders on a regular and timely basis on the Company's financial, business, insider shareholding and corporate governance situations using the Market Observation Post System or the website set up by the Company.</p> <p>In order to treat shareholders equally, the release of the various types of information mentioned in the preceding paragraph shall be disclosed in English simultaneously.</p> <p>In order to safeguard the rights and interests of shareholders and ensure that shareholders are treated equally, exchange-listed or OTC-listed companies shall formulate internal norms that prohibit company insiders from trading marketable securities with undisclosed information.</p> | <p>Paragraph 4 is amended to prevent insider trading and to take account of the Listing Rules of HKEX prohibiting directors from trading shares prior to the release of financial results.</p>                                                                                                                                                                                                                                                                                                                                                                                                             |
| 10-1       | <p>Article 10-1<br/>A exchange-listed or OTC-listed company may report the remuneration received by its directors at the annual shareholders' meeting, including the remuneration policy, the content and amount of the individual remuneration, and the relevance of the remuneration to the results of the performance evaluation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Article 10-1 is added.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>In accordance with the Corporate Governance 3.0 - Blueprint Plan for Sustainable Development, in order to promote the rationality of fixing the remuneration for directors of exchange-listed and OTC-listed companies, with reference to the Say-on-pay system of the EU shareholder rights directive II (hereinafter referred to as SRD II), the relevant mechanism for reporting directors' remuneration to the shareholders' meeting shall be strengthened so as to encourage the company to fix reasonable directors' remuneration through the investor and shareholder supervision mechanism.</p> |
| 20         | <p>Paragraphs 1 to 2 of Article 20 (Capacity of the Board of Directors as a whole) are omitted.</p> <p>The composition of the Board of Directors shall be considered diversified. In addition to not more than one-third of the number of directors who concurrently serve as managers of the Company, it is also desirable to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Paragraphs 1 to 2 of Article 20 are omitted.</p> <p>The composition of the Board of Directors shall be considered diversified. In addition to not more than one-third of the number of directors who concurrently serve as managers of the Company, it is also desirable to formulate an appropriate diversification</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>In order to promote the diversity in the composition of the members of the Board of Directors, it is recommended that the ratio of female directors shall reach one-third of the number of directors with reference to international trends.</p>                                                                                                                                                                                                                                                                                                                                                        |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>formulate an appropriate diversification policy for its own operation, operating mode and development needs, including but not limited to the following two broad criteria:</p> <p>1. Basic conditions and values: gender, age, nationality and culture, among which the ratio of female directors shall reach one-third of the number of directors.</p>                                                                                                                                                                                                                                                                                                                                                                       | <p>policy for its own operation, operating mode and development needs, including but not limited to the following two broad criteria:</p> <p>1. Basic conditions and values: gender, age, nationality and culture.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 20 | <p>2. Expertise and skills: professional background (such as legal, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.<br/>Paragraph 4 is omitted.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>2. Expertise and skills: professional background (such as legal, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.<br/>The composition of the Board of Directors shall focus on gender equality and generally possess the knowledge, skills and qualities necessary for the performance of their duties. In order to achieve the desired objectives of corporate governance, the Board of Directors shall be equipped with the following capabilities as a whole:<br/>Paragraph 4 is omitted.</p>                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 24 | <p>Article 24<br/>The Company shall establish two or more independent directors in accordance with the Articles of Incorporation, which shall <u>not</u> be less than one-third of the number of directors, and <u>the independent directors shall not serve more than three consecutive terms</u>.</p> <p>Paragraphs 2 to 6 are omitted.</p>                                                                                                                                                                                                                                                                                                                                                                                     | <p>Article 24<br/>The Company shall establish two or more independent directors in accordance with the Articles of Incorporation, which shall not be less than one-fifth of the number of directors.</p> <p>Paragraphs 2 to 6 are omitted.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>In accordance with the Corporate Governance 3.0 - Blueprint Plan for Sustainable Development, in order to further strengthen the supervisory function of the Board of Directors, the number of independent directors shall not be less than one-third of the number of directors; in addition, in order to strengthen the independence of the board of directors of the exchange-listed or OTC-listed company, the independent directors of the exchange-listed or OTC-listed company shall not serve more than three consecutive terms.</p> |
| 49 | <p>Article 49<br/>The <u>website of the Company shall be set up with a dedicated section to disclose the following information related to corporate governance</u>, which shall be continuously updated:</p> <p>1. Board of Directors: such as the resumes of the members of the Board of Directors and their powers and responsibilities, the diversification policy of the members of the Board of Directors, and the implementation thereof.</p> <p>2. Functional Committees: such as the resumes of the members of each functional committee and their responsibilities.</p> <p>3. Regulations related to corporate governance: such as the Articles of Incorporation, Rules of Procedure of the meetings of the Board of</p> | <p>Article 49<br/>The Company <u>shall, in accordance with the relevant laws and regulations and the requirements of the Stock Exchange</u>, disclose the information related to corporate governance in the following years and update continuously:</p> <p><u>1. The structure and rules of corporate governance.</u></p> <p><u>2. The Company's shareholding structure and shareholders' rights and interests (including specific dividend policies).</u></p> <p><u>3. The structure of the Board of Directors, the professionalism and independence of its members.</u></p> <p><u>4. The responsibilities of the Board of Directors and the Manager.</u></p> <p><u>5. The composition, duties and</u></p> | <p>In order to optimize the disclosure of corporate governance information on the Company's website, the original provisions shall be consolidated in accordance with the relevant laws and regulations and the disclosure items stipulated by the stock exchange or Taipei Exchange. In accordance with the Corporate Governance 3.0 - Blueprint Plan for Sustainable Development, it is expressly stipulated that the Company's website shall be set up with a dedicated section to disclose the</p>                                          |

|    |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                          |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|    | <p>Directors, and the Organizational Regulations of the Functional Committees, and other regulations related to corporate governance.</p> <p>4. Important information related to corporate governance: such as the establishment of corporate governance executive information, etc.</p> | <p><u>independence of the Audit Committee or Supervisor.</u></p> <p><u>6. The composition, duties and operation of the Remuneration Committee and other functional committees.</u></p> <p><u>7. Analysis of the ratio of the remuneration and total remuneration paid to Directors, Supervisors, General Managers and Vice President in the last two years to the net profit after tax of individual or separate financial statements, policies, standards and combinations for remuneration payment, procedures for determining remuneration and their relevance to operating performance and future risks. In addition, the remuneration of individual directors and supervisors shall be disclosed in particular exceptional circumstances.</u></p> <p><u>8. Further training of directors and supervisors.</u></p> <p><u>9. Stakeholders' rights, relationships, channels of complaint, issues of concern and appropriate response mechanisms.</u></p> | <p>information related to corporate governance for the convenience of shareholders and stakeholders.</p> |
| 49 |                                                                                                                                                                                                                                                                                          | <p><u>10. Detailed handling of information disclosure matters regulated by laws and regulations.</u></p> <p><u>11. Gaps and reasons for the operation of corporate governance and the code of corporate governance established by the company itself and these codes.</u></p> <p><u>12. Other relevant information on corporate governance. Depending on the actual implementation of corporate governance, the Company may adopt appropriate methods to disclose its specific plans and measures to improve corporate governance.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                          |

## Attachment VI Comparison Table of the "Articles of Incorporation"

### (a) Amended and Restated Memorandum of Incorporation

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reasons for amendments                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <p>THE COMPANIES <u>ACT (Revised)</u><br/>Company Limited by Shares<br/>AMENDED AND RESTATED<br/>MEMORANDUM OF ASSOCIATION<br/>OF<br/>AIRMATE (CAYMAN) INTERNATIONAL<br/>CO LIMITED</p> <p>Airmate (Cayman) International Co Limited</p>                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>THE COMPANIES <u>LAW (2020 Revision)</u><br/>Company Limited by Shares<br/>AMENDED AND RESTATED<br/>MEMORANDUM OF ASSOCIATION<br/>OF<br/>AIRMATE (CAYMAN)<br/>INTERNATIONAL CO LIMITED</p> <p>Airmate (Cayman) International Co Limited</p>                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Amended in line with the change in the name of the Companies Law of the Cayman Islands.</p>                 |
| <p>3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies <u>Act (Revised)</u>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies <u>Law (2020 Revision)</u>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Amended in line with the change in the name of the Companies Law of the Cayman Islands.</p>                 |
| <p>4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies <u>Act (Revised)</u>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies <u>Law (2020 Revision)</u>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Amended in line with the change in the name of the Companies Law of the Cayman Islands.</p>                 |
| <p>5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks &amp; Trust Companies <u>Act</u> (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance <u>Act</u> (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management <u>Act</u> (as amended).</p> | <p>5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks &amp; Trust Companies <u>Law</u> (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance <u>Law</u> (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management <u>Law</u> (as amended).</p> | <p>Amended in line with the change in the name of the relevant laws and regulations of the Cayman Islands.</p> |
| <p>8. The authorised share capital of the Company is New Taiwan Dollars 2,162,500,000 divided into 216,250,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies <u>Act (Revised)</u> and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any</p>               | <p>8. The authorised share capital of the Company is New Taiwan Dollars 2,162,500,000 divided into 216,250,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies <u>Law (2020 Revision)</u> and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege</p>                                                            | <p>Amended in line with the change in the name of the Companies Law of the Cayman Islands.</p>                 |

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Reasons for amendments                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.                                                                                                                                                                                                 | or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.                                                                                                                                                          |                                                                                         |
| 9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies <u>Act (Revised)</u> and, subject to the provisions of the Companies <u>Act (Revised)</u> and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands. | 9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies <u>Law (2020 Revision)</u> and, subject to the provisions of the Companies <u>Law (2020 Revision)</u> and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands. | Amended in line with the change in the name of the Companies Law of the Cayman Islands. |

(b) Amended and Restated Articles of Incorporation

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reasons for amendments                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| THE COMPANIES <u>Act (Revised)</u><br>Company Limited by Shares<br>AMENDED AND RESTATED<br>ARTICLES OF ASSOCIATION<br>OF<br>AIRMATE (CAYMAN) INTERNATIONAL<br>CO LIMITED                                                                                                                                                                                                                                                                                            | THE COMPANIES <u>Law (2020 Revision)</u><br>Company Limited by Shares<br>AMENDED AND RESTATED<br>ARTICLES OF ASSOCIATION<br>OF<br>AIRMATE (CAYMAN) INTERNATIONAL CO<br>LIMITED                                                                                                                                                                                                                                                                                                                                    | Amended in line with the change in the name of the Companies Law of the Cayman Islands.                                   |
| 1.1 In these Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:<br><br>Omitted<br><br>Electronic Record has the same meaning as in the Electronic Transactions <u>Act</u> ;<br><br>Electronic Transactions <u>Act</u> the Electronic Transactions <u>Act</u> (2003 Revision) of the Cayman Islands;<br><br>Law The Companies <u>Act (Revised)</u> of the | 1.1. In these Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:<br><br>Omitted<br><br>Electronic Record has the same meaning as in the Electronic Transactions <u>Law</u> ;<br><br>Electronic Transactions <u>Law</u> the Electronic Transactions <u>Law</u> (2003 Revision) of the Cayman Islands;<br><br>Law The Companies <u>Law (2020 Revision)</u> of the Cayman Islands and every modification, | Amended in line with the change in the name of the Companies Law and relevant laws and regulations of the Cayman Islands. |

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Reasons for amendments                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cayman Islands and every modification, reenactment or revision thereof for the time being in force;                                                                                                                                                                                                                                                                                                                                                                                                                     | reenactment or revision thereof for the time being in force;                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                            |
| 1.2 In the Articles, where not inconsistent with the context:<br>Omitted<br>(h) Section 8 of the Electronic Transactions <u>Act</u> shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.                                                                                                                                                                                                                                                             | 1.2 In the Articles, where not inconsistent with the context:<br>Omitted<br>(h) Section 8 of the Electronic Transactions <u>Law</u> shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.                                                                                                                                                                                                                                                             | Amended in line with the change in the name of the relevant laws and regulations of the Cayman Islands.                                                                                                                                    |
| 3.9 A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies <u>Act</u> (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency. | 3.9 A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies <u>Law</u> (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency. | Amended in line with the change in the name of the Companies Law of the Cayman Islands.                                                                                                                                                    |
| 15.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to <u>Article 23.2</u> and compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the <u>Statutory Reserve and</u> Capital Reserve, and make distributions out of the Capital Reserve.                              | 15.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.                                                                                    | Based on the Company's operational needs, the provisions that the Company's statutory surplus reserve may be used to make up for the Company's losses are added with reference to the provisions of Article 239 of the Taiwan Company Act. |
| 18.3 For so long as the shares are traded on the ESM or listed on the TSE, unless otherwise provided by the Law, the                                                                                                                                                                                                                                                                                                                                                                                                    | 18.3 For so long as the shares are traded on the ESM or listed on the TSE, unless otherwise provided by the Law, the general meetings shall be held in the                                                                                                                                                                                                                                                                                                                                                              | In accordance with the Taiwan Stock                                                                                                                                                                                                        |

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reasons for amendments                                                                                                                                                                                                                              |
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| <p><u>physical</u> general meetings shall be held in the ROC. If the Board resolves to hold a <u>physical</u> general meeting outside the ROC, the Company shall apply for the approval of the ESM (in the case that the shares are traded on the ESM) or the TSE (in the case that the shares are listed on the TSE) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the ESM (in the case that the shares are traded on the ESM) or the TSE (in the case that the shares are listed on the TSE) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).</p> | <p>Exchange's Amendment to the "Checking List of Protecting Rights of Foreign Issuer's Shareholders in the Country of Registration" published on March 11, 2022, the relevant content is amended accordingly.</p>                                   |
| <p>18.4 <u>A general meeting may be held by way of video conference or in a manner consistent with the Applicable Public Company Rules or other methods announced by the competent authority of the ROC in charge of the Company Law of the ROC in relation to the general meeting of a company incorporated thereunder (to be applied mutatis mutandis). For the avoidance of doubt, under circumstance in consequence of any natural disaster, incident, or act of God, the competent authority of the ROC in charge of the Company Law of the ROC may announce that a company incorporated thereunder may hold its general meeting by way of video conference or any other methods within a certain period of time. Where a general meeting is held by way of video conference, a Member who has participated in such general meeting by way of video conference shall be deemed to be present in person at such general meeting. The prerequisites, procedures, and other matters to be complied with in connection with holding a general meeting by way of video conference shall follow the Applicable Public Company Rules.</u></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>In accordance with the Taiwan Stock Exchange's Amendment to the "Checking List of Protecting Rights of Foreign Issuer's Shareholders in the Country of Registration" published on March 11, 2022, the relevant content is added accordingly.</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>19.8 In addition to the event that the Board is unwilling or unable to convene a general meeting, an Independent Director of the Audit Committee may convene a general meeting in the interest of the Company when he/she in his/her absolute discretion deems necessary.</p>                                                                                                                                                                                                                                                                                                                  | <p>In accordance with the Taiwan Stock Exchange's Amendment to the "Checking List of Protecting Rights of Foreign Issuer's Shareholders in the Country of Registration" published on May 14, 2021, the relevant</p>                                 |

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Reasons for amendments                                                                                                                                                                                                                                |
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| <p>25.4 Subject to the Law, for so long as the shares are traded on the ESM or listed on the TSE, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power <u>is</u> exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.</p> | <p>25.4 Subject to the Law, for so long as the shares are traded on the ESM or listed on the TSE, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if <u>a general meeting is to be held outside the ROC</u> or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power <u>may be</u> exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.</p> | <p>In accordance with the Taiwan Stock Exchange's Amendment to the "Checking List of Protecting Rights of Foreign Issuer's Shareholders in the Country of Registration" published on March 11, 2022, the relevant content is amended accordingly.</p> |
| <p>34.4 For so long as the shares are listed on the TSE, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors accounting for not less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>34.4 For so long as the shares are listed on the TSE, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors accounting for not less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>In accordance with the provisions of Article 6, Paragraph 2 added to the Rules of Taiwan Stock</p>                                                                                                                                                 |

| Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Reasons for amendments                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p>Independent Directors shall be domiciled in the ROC and at least <u>two</u> of them shall have accounting or financial expertise. Before the shares are listed on the TSE, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>least <u>one</u> of them shall have accounting or financial expertise. Before the shares are listed on the TSE, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.</p>                                                                                                                                                                                                                                                                                                                                                                       | <p>Exchange Corporation for Regulating TWSE Primary Listed Companies and Taiwan Innovation Board Primary Listed Companies After Listing on April 7, 2021, the relevant content is amended accordingly.</p>                                                                                                                                                                                                                                  |
| <p>35.3 For so long as the shares are traded on the ESM or listed on the TSE, if the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies. <u>If the Independent Directors domiciled in the ROC have resigned or have been removed or vacated which results in less than two Independent Directors domiciled in the ROC, the Board shall, within sixty (60) days from the date of resignation or removal of the last retiring Independent Director domiciled in the ROC, hold a general meeting to elect succeeding Independent Directors to fill the vacancies.</u></p> | <p>35.3 For so long as the shares are traded on the ESM or listed on the TSE, if the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.</p> | <p>In accordance with the provisions of Article 6, Paragraph 2 added to the Rules of Taiwan Stock Exchange Corporation for Regulating TWSE Primary Listed Companies and Taiwan Innovation Board Primary Listed Companies After Listing on April 7, 2021, and the provisions of Article 49-1, Paragraph 1, Subparagraph 14 of the Operating Rules of the Taiwan Stock Exchange Corporation, the relevant content is amended accordingly.</p> |

**Attachment VII Comparison Table of the "Operating Procedures for Acquisition or Disposal of Assets"**

| Provisions | Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| 3.2        | <p>3.2. For the appraisal report or the opinions of the CPA, attorney or securities underwriter obtained by the Company, the professional appraiser and its appraiser, CPA, attorney or securities underwriter shall comply with the following requirements:</p> <p>3.2.1 No one has been sentenced to an imprisonment for more than one year for violation of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents or criminal acts in the course of business. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>3.2.2 The parties involved in the transaction shall not be related or substantially related parties.</p> <p>3.2.3 If the Company shall obtain the appraisal reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or substantially related parties.</p> <p>The aforementioned person shall comply with <u>the self-discipline of the respective trade association to which he belongs</u> and the following when issuing an appraisal report or opinion:</p> <p>3.2.3.1 Before accepting the case, one shall carefully assess one's professional ability, practical experience and independence.</p> <p>3.2.3.2 When <u>executing</u> a case, appropriate operational procedures shall be properly planned and executed to give conclusions and issue reports or opinions based thereon; and the executed procedures, aggregated information and conclusions shall be detailed in the case working papers.</p> <p>3.2.3.3 The <u>appropriateness</u> and reasonableness of the data sources, parameters and information used shall be assessed on a case-by-case basis as the basis for issuing an</p> | <p>3.2. For the appraisal report or the opinions of the CPA, attorney or securities underwriter obtained by the Company, the professional appraiser and its appraiser, CPA, attorney or securities underwriter shall comply with the following requirements:</p> <p>3.2.1 No one has been sentenced to an imprisonment for more than one year for violation of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents or criminal acts in the course of business. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>3.2.2 The parties involved in the transaction shall not be related or substantially related parties.</p> <p>3.2.3 If the Company shall obtain the appraisal reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or substantially related parties.</p> <p>The aforementioned person shall comply with the following when issuing an appraisal report or opinion:</p> <p>3.2.3.1 Before accepting a case, one shall carefully assess one's professional ability, practical experience and independence.</p> <p>3.2.3.2 When <u>reviewing</u> a case, appropriate operational procedures shall be properly planned and executed to give conclusions and issue reports or opinions based thereon; and the executed procedures, aggregated information and conclusions shall be detailed in the case working papers.</p> <p>3.2.3.3 The <u>completeness, correctness</u> and reasonableness of the data sources, parameters and information used shall be evaluated on a case-by-case basis as the basis for issuing an appraisal report or opinion.</p> <p>3.2.3.4 The statement shall include such matters as the</p> | <p>1. The trade associations to which external experts belong have relevant regulations for the business they undertake. For example if a professional appraisal issues an appraisal report, there are self-discipline regulations related to the appraisal of real estate, and the trade associations of other external experts shall also follow the "Practical Guidelines for Experts Issuing Opinions" issued by Taiwan Stock Exchange Corporation to amend and introduce the relevant self-discipline norms for the issuance of opinions by its operators or personnel to clarify that external experts shall follow the procedures and responsibilities. The preamble of paragraph 2 is amended to regulate the issuance of appraisal reports or opinions by professional appraisals and their appraisals, CPAs, attorneys or securities underwriters. In addition to compliance with the matters listed in paragraph 2, they shall follow the self-discipline norms of the trade associations to which they belong.</p> <p>2. In view of the fact that the previous external expert who undertook and executed the case of issuing the appraisal report or the reasonableness opinion in accordance with the provisions of these Standards does not refer to the examination and verification of the financial report, so the wording of the "examination" of the case in paragraph 2, subparagraph 2 shall be amended to read as "execution" of the case.</p> <p>3. Considering the actual assessment of the information sources,</p> |

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|       | <p>appraisal report or opinion.</p> <p>3.2.3.4 The statement shall include such matters as the professionalism and independence of the relevant personnel, the <u>appropriateness</u> and reasonableness of the information used in the assessment and the compliance with the relevant laws and regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>professionalism and independence of the relevant personnel, the reasonableness and <u>correctness</u> of the information used in the assessment, and the compliance with the relevant laws and regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>parameters and information used by external experts, refer to Article 9, Paragraph 4, Subparagraph 4, Item 3-5 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Ji Mi Zi No. 0000000298 of the Accounting Research and Development Foundation of the Republic of China on December 25, 2014 (103)</p>                                                                                                                                                                                                          |
| 3.2   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Regarding the relevant words on the source of information and the appropriateness and reasonableness of the parameters in Article 27 of the Bulletin of Interpretation and Evaluation Criteria No. 8, the words of Paragraph 2, Subparagraphs 3 and 4 are amended to be in line with the actual situation.</p>                                                                                                                                                                                                                                         |
| 3.5.4 | <p>3.5.4. Appraisal Report of Real Estate, Equipment or Right-of-Use Assets:</p> <p>In the acquisition or disposal of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or RMB 60 million (or equivalent to NT\$ 300 million in foreign currency) or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>3.5.4.1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for prior approval by the Board of Directors; and any future change to the terms and conditions of the transaction shall be handled by reference to the aforementioned procedure.</p> <p>3.5.4.2. Where the transaction amount is RMB 200 million (or</p> | <p>3.5.4. Appraisal Report of Real Estate, Equipment or Right-of-Use Assets:</p> <p>In the acquisition or disposal of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or RMB 60 million (or equivalent to NT\$ 300 million in foreign currency) or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>3.5.4.1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for prior approval by the Board of Directors; and any future change to the terms and conditions of the transaction shall be handled by reference to the aforementioned procedure.</p> <p>3.5.4.2. Where the transaction amount is RMB 200 million (or</p> | <p>1. Considering that Article 5 has been amended and added the self-discipline norms of the trade association to which external experts belong that they shall comply with when issuing opinions, and has covered the procedures that the CPAs shall execute when issuing opinions, and Paragraph 3, Item 1 that stipulates that a CPA shall be engaged to handle in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China shall be deleted</p> |

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|       | <p>equivalent to NT\$ 1 billion in foreign currency) or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3.5.4.3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3.5.4.3.1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p>                                                                                                                                                                                                                                                                                                                                                                                | <p>professional appraisers shall be obtained.</p> <p>3.5.4.3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to <u>handle in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation)</u>, and to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3.5.4.3.1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p>                                                                                                                                                                                        |  |
| 3.5.4 | <p>3.5.4.3.2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>3.5.4.4. The calculation of the aforementioned transaction amounts shall be made in accordance with Article 31, paragraph 2 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The appraisal report issued by a professional appraiser or the the opinion of the CPA obtained in accordance with the provisions of these Standards need not be counted toward the transaction amount.</p> <p>3.5.4.5. Prior to the contract execution date, no more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>3.5.4.6. Where the Company</p> | <p>3.5.4.3.2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>3.5.4.4. The calculation of the aforementioned transaction amounts shall be made in accordance with Article 31, paragraph 2 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The appraisal report issued by a professional appraiser or the the opinion of the CPA obtained in accordance with the provisions of these Standards need not be counted toward the transaction amount.</p> <p>3.5.4.5. Prior to the contract execution date, no more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>3.5.4.6. Where the Company</p> |  |

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|         | acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3.6.1.2 | <p>3.6.1.2. Evaluation and operation procedures: When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or RMB 60 million (or equivalent to NT\$ 300 million) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following information has been submitted to the Audit Committee for approval and approved by the Board of Directors:</p> <p>3.6.1.2.1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>3.6.1.2.2. The reason for choosing the related party as a counterparty.</p> <p>3.6.1.2.3. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, appraisal of the preliminary transaction terms in accordance with 3.6.1.3.1. and Article 3.6.1.3.4..</p> | <p>3.6.1.2. Evaluation and operation procedures: When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or RMB 60 million (or equivalent to NT\$ 300 million) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following information has been submitted to the Audit Committee for approval and approved by the Board of Directors:</p> <p>3.6.1.2.1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>3.6.1.2.2. The reason for choosing the related party as a counterparty.</p> <p>3.6.1.2.3. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, appraisal of the preliminary transaction terms in accordance with 3.6.1.3.1. and Article 3.6.1.3.4..</p> | <p>1. Paragraphs 3 to 5 of the existing provisions are moved to Paragraphs 2 to 4 of the amended provisions. 2. Added Paragraph 5: (1) In order to strengthen the management of related party transactions and safeguard the right of the minority shareholders of a public company to express their opinions on the Company and related party transactions, after referring to the provisions on regulations of prior consent of the shareholders' meeting for the transactions with major related parties in the international major capital markets such as Singapore and Hong Kong, and in order to avoid a public company from entering into significant related-party transactions through the subsidiary that is not a domestic public company, if the submission of relevant information to the shareholders' meeting for prior consent is circumvented, and the public company stipulated in this Article or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 to acquire or dispose of assets with a related party,</p> |

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| <p>3.6.1.2</p> | <p>Relevant information on reasonableness.<br/>3.6.1.2.4. The date and price at which the related party originally acquired the real estate, the original counterparty, and that counterparty's relationship to the company and the related party.<br/>3.6.1.2.5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.<br/>3.6.1.2.6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with 3.6.1.1..<br/>3.6.1.2.7. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions in acquiring or disposing of equipment for business use listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to 3.5.3. delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and</p> | <p>Relevant information on reasonableness.<br/>3.6.1.2.4. The date and price at which the related party originally acquired the real estate, the original counterparty, and that counterparty's relationship to the company and the related party.<br/>3.6.1.2.5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.<br/>3.6.1.2.6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with 3.6.1.1..<br/>3.6.1.2.7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the <u>aforementioned</u> transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with 3.9.1.1.6., and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been consented by the Audit Committee and approved by the Board of Directors as required by this Code need not be counted toward the transaction amount. With respect to the types of transactions in acquiring or disposing of equipment for business use listed</p> | <p>If the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the relevant materials to the Shareholders' Meeting for approval. In case of a subsidiary that is not a public company, the matter that should be submitted to the Shareholders' Meeting for approval shall be taken by the parent company of the previous level of the public company. (2) Considering the overall business planning needs of the public company and its parent company or subsidiaries or among its subsidiaries, and with reference to the aforementioned exemption provisions for the major international capital markets, the proviso waives the requirements for submission to the Shareholders' Meeting for resolution for transactions among the said companies. (3) If the aforementioned significant related party transaction fall under the circumstances specified in Article 185, Item 1,</p> |
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|         | <p>ratified by the next Board of Directors' meeting:</p> <p>3.6.1.2.7.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 3.6.1.2.7.2 Acquisition or disposal of real property right-of-use assets held for business use. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee. Where the position of Independent Director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to the provisions, the Board of Directors shall take into full consideration each independent director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting. Where an Audit Committee has been established in accordance with the provisions of the Act, the matters listed in this Article shall first be approved by one-half or more of all Audit Committee members</p> | <p>below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to 3.5.3. delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <p>3.6.1.2.7.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 3.6.1.2.7.2 Acquisition or disposal of real property right-of-use assets held for business use. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee. Where the position of Independent Director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to the provisions, the Board of Directors shall take into full consideration each independent director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting. Where an Audit Committee has been established in accordance with the provisions of the Act, the matters listed in this Article shall first be approved by one-half or more of all Audit Committee members,</p> | <p>Paragraphs 1 to 3 of the Company Act, the resolution of the Shareholders' Meeting shall be made in the form of a special resolution in accordance with the Article 185 of the Company Act, which shall be handled in accordance with the preceding matters and relevant provisions of the Company Act. 3. Item 2 of the current provisions is moved to Item 6 of the amended provisions. The calculation of the amended transaction amount shall be counted in the transaction submitted to the Shareholders' Meeting for approval in line with the addition of Item 5.</p> |
| 3.6.1.2 | <p>one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. The terms "all Audit Committee members" and "all Directors" in the preceding paragraph shall be counted as the actual number of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. The terms "all Audit Committee members" and "all Directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|       | <p>persons currently holding those positions.</p> <p><u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10% or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the Shareholders Meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u> The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with 3.9.1.1.6., and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been consented by the <u>Shareholders' Meeting and the Audit Committee</u> and approved by the Board of Directors as required by this Code need not be counted toward the transaction amount.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3.9.1 | <p>3.9.1. Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in charge of securities affairs in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>3.9.1.1. Items subject to public announcement and regulatory filing and threshold requiring public announcement and regulatory filing: 3.9.1.1.1. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$ 300 million or more. Provided, this shall not apply to trading of government bonds within the territory of the Republic of China or bonds</p>                                                                                                     | <p>3.9.1. Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in charge of securities affairs in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>3.9.1.1. Items subject to public announcement and regulatory filing and threshold requiring public announcement and regulatory filing: 3.9.1.1.1. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$ 300 million or more. Provided, this shall not apply to trading of government bonds within the territory of the Republic of China or bonds under</p> | <p>1. Considering that the current public company has been exempted from public announcement and regulatory filing procedures for trading domestic government bonds, it is required to amend Item 1, Paragraph 7, Point 1 to relax the issuance rating of its trading of foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan, and to exempt from public announcement and regulatory filing procedures.</p> |

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|       | <p>under repurchase and resale agreements, or subscription or redemption of money market funds within the territory of the Republic of China. 3.9.1.1.2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3.9.1.1.3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>3.9.1.1.4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>repurchase and resale agreements, or subscription or redemption of money market funds within the territory of the Republic of China.</p> <p>3.9.1.1.2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3.9.1.1.3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>3.9.1.1.4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| 3.9.1 | <p>Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>3.9.1.1.4.1. For a public company whose paid-in capital is less than NT\$ 10 billion, the transaction amount reaches NT\$ 500 million or more.</p> <p>3.9.1.1.4.2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>3.9.1.1.5. Acquisition or disposal by a public company in the construction business of real estate or right-of-use assets thereof for construction use, and furthermore the counterparty is not a related party, and the transaction amount reaches NT\$ 500 million; among such cases, if the public company has paid-in capital of NT\$ 10 billion or more, and it is disposing of real estate from a completed construction project that it constructed itself, and furthermore the counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$ 1 billion or more.</p> <p>3.9.1.1.6. Where real estate is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the counterparty is not a related party, and the amount the company expects to invest in the transaction reaches RMB 100</p> | <p>Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>3.9.1.1.4.1. For a public company whose paid-in capital is less than NT\$ 10 billion, the transaction amount reaches NT\$ 500 million or more.</p> <p>3.9.1.1.4.2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>3.9.1.1.5. Acquisition or disposal by a public company in the construction business of real estate or right-of-use assets thereof for construction use, and furthermore the counterparty is not a related party, and the transaction amount reaches NT\$ 500 million; among such cases, if the public company has paid-in capital of NT\$ 10 billion or more, and it is disposing of real estate from a completed construction project that it constructed itself, and furthermore the counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$ 1 billion or more.</p> <p>3.9.1.1.6. Where real estate is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the counterparty is not a related party, and the amount the company expects to invest in the transaction reaches RMB 100 million (or equivalent to NT\$500 million in foreign currency) or more.</p> |  |

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|       | <p>million (or equivalent to NT\$500 million in foreign currency) or more.</p> <p>3.9.1.1.7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or RMB 60 million (or equivalent to NT\$ 300 million in foreign currency) or more. Provided, this shall not apply to the following circumstances:</p> <p>3.9.1.1.7.1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>3.9.1.1.7.2. Where done by professional investors—securities trading on domestic securities exchanges or OTC markets</p> <p>3.9.1.1.7.3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by securities investment trust enterprises of the Republic of China. 3.9.1.1.8. The aforementioned transaction amount is calculated as follows, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with the regulations need not be counted toward the transaction amount.</p> <p>3.9.1.1.8.1. The amount of any individual transaction.</p> <p>3.9.1.1.8.2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same counterparty within the preceding year</p> | <p>3.9.1.1.7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or RMB 60 million (or equivalent to NT\$ 300 million in foreign currency) or more. However, the following circumstances are not subject to the restrictions:</p> <p>3.9.1.1.7.1. Trading of domestic government bonds</p> <p>3.9.1.1.7.2. Where done by professional investors—securities trading on domestic securities exchanges or OTC markets</p> <p>3.9.1.1.7.3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by securities investment trust enterprises of the Republic of China. 3.9.1.1.8. The aforementioned transaction amount is calculated as follows, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with the regulations need not be counted toward the transaction amount.</p> <p>3.9.1.1.8.1. The amount of any individual transaction.</p> <p>3.9.1.1.8.2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same counterparty within the preceding year</p> |  |
| 3.9.1 | <p>Amount.</p> <p>3.9.1.1.8.3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof within the same development project within the preceding year. 3.9.1.1.8.4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Amount.</p> <p>3.9.1.1.8.3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof within the same development project within the preceding year. 3.9.1.1.8.4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |

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|  | <p>same security within the preceding year. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority in charge of securities affairs by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> | <p>within the preceding year. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority in charge of securities affairs by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> |  |
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**Attachment VIII Comparison Table for "Rules of Procedure of the Shareholders' Meeting"**

| Provisions | Amended Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Existing Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| 3          | <p>Article 3</p> <p>A Shareholders' Meeting of the Company shall, unless otherwise provided by the decree, be convened by the Board of Directors.</p> <p><u>Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent.</u></p> <p>The Company shall, 30 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, make electronic files of the notice of the convening of the Shareholders' Meeting, the proxy form, and the reasons and explanatory materials for various proposals for approval, discussion, appointment or dismissal of Directors or Supervisors and other proposals, and send these files to the Market Observation Post System. and shall, 21 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, prepare electronic files of the procedure manual of the Shareholders' Meeting and the supplementary materials for the meeting and send these files to the Market Observation Post System.</p> <p><u>However, if the paid-in capital of the Company at the end of the most recent fiscal year exceeds NT\$ 10 billion or the total shareholding ratio of the foreign capital and Taiwan capital recorded in the register of shareholders of the Annual Shareholders' Meeting convened in the most recent fiscal year exceeds 30%, the aforementioned electronic files shall be sent 30 days prior to the convening of the Annual Shareholders' Meeting, and shall, 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them</u></p> | <p>Article 3</p> <p>A Shareholders' Meeting of the Company shall, unless otherwise provided by the decree, be convened by the Board of Directors.</p> <p><u>Added.</u></p> <p>The Company shall, 30 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, make electronic files of the notice of the convening of the Shareholders' Meeting, the proxy form, and the reasons and explanatory materials for various proposals for approval, discussion, appointment or dismissal of Directors and other proposals, and send these files to the Market Observation Post System. and shall, 21 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, prepare electronic files of the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting and send these files to the Market Observation Post System. and shall, 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company, <u>which shall be distributed on-site at the Shareholders' Meeting.</u></p> <p><u>Added.</u></p> | <p>1. Item 1, former Items 3 to 10 have not been amended.</p> <p>2. In order to enable shareholders to understand the change in the manner of convening the Shareholders' Meeting, the change in the manner of convening the Shareholders' Meeting shall be subject to the resolution of the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent and thus Item 2 is added.</p> <p>3. In order for foreign and Taiwan shareholders to have early access to the relevant information of the Shareholders' Meeting, the aforementioned electronic file shall be sent 30 days prior to the convening of the Annual Shareholders' Meeting, and thus Item 3 is amended.</p> <p>4. In order to enable the public company to convene a Shareholders' Meeting by means of visual communication, the Company may convene the Shareholders' Meeting in different manners including a physical Shareholders' Meeting and the one by means of visual communication. For the benefit of Shareholders, whether participating in a physical Shareholders' Meeting or the meeting by means of visual communication, the manual for Shareholders' Meeting proceedings and the</p> |

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|  | <p>to the Company and to the professional stock agency appointed by the Company.</p> <p><u>The manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting referred to in the preceding paragraph shall be provided by the Company to the Shareholders for reference on the date of the Shareholders' Meeting in the following manner:</u></p> <p><u>1. When the physical Shareholders' Meeting is convened, they shall be distributed on-site at the Shareholders' Meeting.</u></p> <p><u>2. When a video-assisted Shareholders' Meeting is held, they shall be distributed on-site at the Shareholders' Meeting and sent to the video conferencing platform by electronic file.</u></p> <p><u>3. When a Shareholders' Meeting is held by means of visual communication, they shall be sent to the video conferencing platform by an electronic file.</u></p> |  | <p>supplementary materials for the meeting shall be made available for their reference on the day of the Shareholders' Meeting, and Item 2 is amended and Item 4 is added.</p> |
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|   | <p>The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and public announcement; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.</p> <p>Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.</p> <p>The causes or subjects of a Shareholders' Meeting to be convened have stated the general re-election of Directors and Supervisors and the date of assumption of office. After the completion of the re-election of the Shareholders' Meeting, the date of assumption of office shall not be changed by extemporary motions or other means at the same meeting.</p> | <p>The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and public announcement; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.</p> <p>Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.</p> <p>The causes or subjects of a Shareholders' Meeting to be convened have stated the general re-election of Directors and the date of assumption of office. After the completion of the re-election of the Shareholders' Meeting, the date of assumption of office shall not be changed by extemporary motions or other means at the same meeting.</p> |  |
| 3 | <p>Shareholder(s) holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at an Annual Shareholders' Meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The proposal submitted by another shareholder which falls under any of the circumstances specified in Article 172-1, Item 4 of the Company Act shall not be included in the agenda by the Board of Directors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Shareholder(s) holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at an Annual Shareholders' Meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.</p> <p>However, a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |

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|  | <p>The number of words of a proposal to be submitted by a Shareholder shall be limited to not more than 300 words, and the said proposal containing more than 300 words shall not be included in the agenda of the Shareholders' Meeting. The Shareholder who has submitted a proposal shall attend, in person or by a proxy, the Annual Shareholders' Meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.</p> <p>The company shall, prior to preparing and delivering the notice of convening the Shareholders' Meeting, inform, by a notice, all the proposal submitting Shareholders of the proposal screening results, and shall list in the notice of convening the Shareholders' Meeting the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by Shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the Shareholders' Meeting to be convened.</p> | <p>The number of words of a proposal to be submitted by a Shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the Shareholders' Meeting. The Shareholder who has submitted a proposal shall attend, in person or by a proxy, the Annual Shareholders' Meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal. The Company shall, prior to preparing and delivering the notice of convening the Shareholders' Meeting, inform, by a notice, all the proposal submitting Shareholders of the proposal screening results, and shall list in the notice of convening the Shareholders' Meeting the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by Shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the Shareholders' Meeting to be convened.</p> |  |
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| 4 | <p>Article 4</p> <p>A shareholder may appoint a proxy to attend a Shareholders' Meeting in his/her/its behalf by executing a power of attorney issued by the Company stating therein the scope of power authorized to the proxy. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one Shareholder, the first one received by the Company shall prevail. Unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the company, in case the Shareholder issuing the said proxy intends to attend the Shareholders' Meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the notice of convening the Shareholders' Meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p> <p><u>After the service of the power of attorney of a proxy to the Company, in case the Shareholder issuing the said proxy intends to attend the Shareholders' Meeting by means of visual communication, a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the notice of convening the Shareholders' Meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</u></p> | <p>Article 4</p> <p>A shareholder may appoint a proxy to attend a Shareholders' Meeting in his/her/its behalf by executing a power of attorney issued by the Company stating therein the scope of power authorized to the proxy. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one Shareholder, the first one received by the Company shall prevail. Unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the company, in case the Shareholder issuing the said proxy intends to attend the Shareholders' Meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the notice of convening the Shareholders' Meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p> <p><u>Added.</u></p> | <p>1. Items 1 to 3 have not been amended.</p> <p>2. If the proxy of a Shareholder is to attend the Shareholders' Meeting, after the service of the power of attorney of a proxy to the Company, in case the Shareholder issuing the said proxy intends to attend the Shareholders' Meeting by means of visual communication, a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the notice of convening the Shareholders' Meeting so as to rescind the proxy at issue, and Item 4 is added.</p> |
| 5 | Article 5 (Principle of Venue and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Article 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1. The existing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|   | <p>Time for Convening Shareholders' Meetings)<br/> A Shareholders' Meeting shall be held at a place where the Company is located or a place that is convenient for shareholders to attend and suitable for the convening of the Shareholders' Meeting. The meeting shall not commence earlier than 9:00 a.m. or later than 3:00 p.m., and the opinions of Independent Directors on the venue and time of the convening of the meeting shall be fully taken into consideration.<br/> <u>When the Company convenes a Shareholders' Meeting by means of visual communication, it shall not be subject to the aforementioned restriction on the venue of convening.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>A Shareholders' Meeting shall be held at a place where the Company is located or a place that is convenient for shareholders to attend and suitable for the convening of the Shareholders' Meeting. The meeting shall not commence earlier than 9:00 a.m. or later than 3:00 p.m., and the opinions of Independent Directors on the venue and time of the convening of the meeting shall be fully taken into consideration.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>provisions is moved to Item 1, and the content has not been amended. 2. Item 2 is added, specifying that when the Company convenes a Shareholders' Meeting by means of visual communication, it shall not be subject to the restriction on the venue of convening.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 6 | <p>Article 6 The Company shall state in the notice of the meeting the time and place of the registration of the <u>Shareholders, solicitors and proxies (hereinafter referred to as the Shareholders)</u> and other matters to be noted. The aforementioned Shareholder shall register at least 30 minutes prior to the commencement of the meeting; the registration place shall be clearly marked and appropriate and competent personnel shall be dispatched to handle the registration; <u>for the Shareholders' Meeting by means of visual communication, registration shall be accepted on the video conferencing platform of the Shareholders' Meeting 30 minutes prior to the commencement of the meeting. Shareholders who have completed the registration shall be deemed to have attended the Shareholders' Meeting in person.</u> <u>Shareholders</u> shall attend the Shareholders' Meeting by presenting their attendance cards, attendance sign-in cards or other attendance certificates, and the Company shall not arbitrarily add any requirements for presenting other supporting documents to the certification documents of shareholders in attendance; solicitors who solicit the power of attorney shall carry their identification documents for verification purposes. The</p> | <p>Article 6 The Company shall state in the notice of the meeting the time and place of the registration of the Shareholders and other matters to be noted. The aforementioned Shareholder shall register at least 30 minutes prior to the commencement of the meeting; the registration place shall be clearly marked and appropriate and competent personnel shall be dispatched to handle the registration. <u>Shareholders</u> themselves or the proxies entrusted by the Shareholders (hereinafter referred to as the Shareholders) shall attend the Shareholders' Meeting by presenting their attendance cards, attendance sign-in cards or other attendance certificates, and the Company shall not arbitrarily add any requirements for presenting other supporting documents to the certification documents of shareholders in attendance; solicitors who solicit the power of attorney shall carry their identification documents for verification purposes. The Company shall prepare the attendance list for sign-in by shareholders in attendance, or sign-in on behalf by shareholders in attendance who hand in the sign-in card.</p> | <p>1. Items 4 to 6 have not been amended. 2. In order to specify the time and procedure for the registration of the Shareholders in attendance held by means of visual communication, Item 2 is amended. 3. To be in line with the Shareholders specified in Item 1, Item 3 is amended. 4. Shareholders who intend to attend the Shareholders' meeting held by means of visual communication shall register with the Company two days prior to the convening of the Shareholders' Meeting, and Item 7 is added. 5. In order to enable the Shareholders in attendance held by means of visual communication to view the manual for Shareholders' Meeting proceedings, annual report and other relevant information, the Company shall upload them to the</p> |

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|     | <p>Company shall prepare the attendance list for sign-in by shareholders in attendance, or sign-in on behalf by shareholders in attendance who hand in the sign-in card. The Company shall deliver the manual for Shareholders' Meeting proceedings, annual report, attendance cards, speaker's slip, votes and other meeting information to Shareholders present at the Shareholders' Meeting. If there is an election of Director or Supervisor, a separate election ballot shall be attached. When the government or a legal person is a shareholder, its proxy present at the Shareholders' Meeting shall not be limited to one person. When a legal person is entrusted to attend the Shareholders' Meeting, it can only assign one proxy to attend. <u>If the Shareholders' Meeting is held by means of visual communication, Shareholders who wish to attend the meeting by means of visual communication shall register with the Company two days prior to the convening of the Shareholders' Meeting. If the Shareholders' Meeting is held by means of visual communication, the Company shall, at least 30 minutes prior to the commencement of the meeting, upload the manual for Shareholders' Meeting proceedings, annual report and other relevant information to the video conferencing platform of the Shareholders' Meeting and continue to disclose the same until the end of the meeting.</u></p> | <p>The Company shall deliver the manual for Shareholders' Meeting proceedings, annual report, attendance cards, speaker's slip, votes and other meeting information to Shareholders present at the Shareholders' Meeting. If there is an election of Director, a separate election ballot shall be attached. When the government or a legal person is a shareholder, its proxy present at the Shareholders' Meeting shall not be limited to one person. When a legal person is entrusted to attend the Shareholders' Meeting, it can only assign one proxy to attend.</p> | <p>video conferencing platform of the Shareholders' Meeting, and Item 8 is added.</p>                                                                                                                                                                                                                                                          |
| 6-1 | <p><u>Article 6-1</u><br/> <u>The Company which convenes a Shareholders' Meeting by means of visual communication shall state the following items in the notice of convening of the Shareholders' Meeting:</u><br/> 1. <u>The method of shareholders' participation in the meeting held by means of visual communication and exercising their rights.</u><br/> 2. <u>The method of handling the obstacles to the video conferencing platform or participation in the meeting held by means of visual communication due to a natural disaster, incident or other force</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><u>Added.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>1. This Article is added.<br/> 2. In order for Shareholders to be aware of the relevant rights and restrictions on participation in the Shareholders' Meeting prior to the commencement of the Shareholders' Meeting, it is stipulated that the notice of convening the Shareholders' Meeting shall include the method of shareholders'</p> |

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|  | <p><u>majeure event, which shall at least include the following:</u></p> <p><u>(1) the time at which the meeting needs to be postponed or resumed as a result of continued failure of exclusion of the aforementioned obstacles, and the date at which the meeting needs to be postponed or resumed.</u></p> <p><u>(2) Shareholders who have not registered to participate in the original Shareholders' meeting held by means of visual communication shall not participate in the postponement or reconvening of the meeting.</u></p> <p><u>(3) If a video-assisted Shareholders' Meeting is convened but the meeting held by means of visual communication cannot be continued, and the total number of shares of Shareholders present at the Shareholders' Meeting, after deducting the number of shares of Shareholders present at the Shareholders' Meeting held by means of visual communication, reaches the statutory quota for the meeting, the Shareholders' Meeting shall continue to proceed, and the number of shares of the Shareholders who participate in the meeting held by means of visual communication shall be counted towards the total number of shares of the Shareholders in attendance. All resolutions of the said Shareholders' Meeting shall be deemed to be abstained.</u></p> <p><u>(4) The handling method of the circumstances in which all the proposals have been announced and no extemporary motion has been made.</u></p> <p><u>3. If a Shareholders' Meeting is held by means of visual communication, the appropriate alternative measures provided for Shareholders who have difficulty in participating in Shareholders' Meeting held by means of visual communication shall be specified.</u></p> | <p>participation in the meeting held by means of visual communication and exercising the relevant rights, the method of handling the obstacles to the video conferencing platform or participation in the meeting held by means of visual communication due to a natural disaster, incident or other force majeure event, which shall at least include the date at which the meeting needs to be postponed or resumed and how long the disconnection shall last in order to postpone or resume the meeting, the provisions of Article 44-20, Items (1), (2), (4) and (5) of the Regulations Governing the Administration of Shareholder Services of Public Companies, and the handling method of the circumstances in which all the proposals have been announced and no extemporary motion has been made. If a Shareholders' Meeting is held by means of visual communication, the appropriate alternative measures provided for Shareholders who have difficulty in participating in Shareholders' Meeting held by means of visual communication shall be specified.</p> |
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| 8 | <p>Article 8<br/>The Company shall make continuous and uninterrupted audio and video recordings of the process of registration of the Shareholders, the process of conducting the meeting, and the process of counting the votes from the time of acceptance of registration of the Shareholders.</p> <p>The aforementioned audio-visual materials shall be kept for at least one year. However, if a lawsuit has been instituted by any Shareholder in accordance with the provisions of Article 189 of the Company Act, the said materials shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.</p> <p><u>If the Shareholders' Meeting is held by means of visual communication, the Company shall record and keep the information on registration, registration, registration, questioning, voting and voting results of the Shareholders, and make continuous and uninterrupted audio and video recordings of the entire video conference.</u></p> | <p>Article 8<br/>The Company shall make continuous and uninterrupted audio and video recordings of the process of registration of the Shareholders, the process of conducting the meeting, and the process of counting the votes from the time of acceptance of registration of the Shareholders.</p> <p>The aforementioned audio-visual materials shall be kept for at least one year. However, if a lawsuit has been instituted by any Shareholder in accordance with the provisions of Article 189 of the Company Act, the said materials shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.</p> <p><u>Added.</u></p> | <p>1. Items 1 and 2 have not been amended.</p> <p>2. With reference to the provisions of Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, it is stipulated that the Company shall record and keep the information on registration, registration, registration, questioning, voting and voting results of the Shareholders, and the Company is required to make continuous and uninterrupted audio and video recordings of the entire video conference.</p>                                                                                   |
| 8 | <p><u>The aforementioned information and audio and video recordings shall be duly kept by the Company for the duration of the existence of the Company and shall be made available to the persons entrusted with the conduct of the video conference for custody.</u></p> <p><u>If the Shareholders' Meeting is held by means of visual communication, the Company shall make audio and video recordings of the backend operating interface of the video conference platform.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><u>Added.</u></p> <p><u>Added.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>and shall be duly kept by the Company for the duration of the existence of the Company, and shall be made available to the persons entrusted with the conduct of the video conference for custody, and Items 3 and 4 are added.</p> <p>3. In order to keep the relevant information of video conference as much as possible, in addition to Item 3 which clearly stipulates that the Company shall make continuous and uninterrupted audio and video recordings of the entire video conference, it is also appropriate to make audio and video recordings of the backend operating interface of the video conference platform.</p> |

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| 9 | <p>Article 9 The attendance at the Shareholders' Meeting shall be calculated based on shares. The number of shares present shall be calculated by addition of the number of shares registered in the attendance list for sign-in or or submitted sign-in card and <u>video conferencing platform</u>, and the number of shares exercising voting rights in writing or by electronic means. When the time of a meeting has arrived, the Chairman shall announce the commencement of the meeting and at the same time the number of non-voting rights and the number of shares in attendance. However, if no shareholders representing more than half of the total number of issued shares are present, the Chairman may announce a postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If there are still not enough Shareholders representing more than one-third of the total number of issued shares present after two rounds of postponement, the Chairman shall announce adjournment of the meeting; <u>if the Shareholders' Meeting is held by means of visual communication, the Company shall also announce the adjournment of the meeting on the video conferencing platform of the Shareholders' Meeting.</u> If the quorum is still not present after two rounds of the postponement as</p> | <p>Article 9 The attendance at the Shareholders' Meeting shall be calculated based on shares. The number of shares present shall be calculated by addition of the number of shares registered in the attendance list for sign-in or or submitted sign-in card, and the number of shares exercising voting rights in writing or by electronic means. When the time of a meeting has arrived, the Chairman shall announce the commencement of the meeting and at the same time the number of non-voting rights and the number of shares present at the meeting and other relevant information. However, if no shareholders representing more than half of the total number of issued shares are present, the Chairman may announce a postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If there are still not enough Shareholders representing more than one-third of the total number of issued shares present after two rounds of postponement, the Chairman shall announce adjournment of the meeting. If the quorum is still not present after two rounds of the postponement as stipulated in the foregoing but Shareholders representing more than one-third of the total number of issued shares are</p> | <p>1. Items 2 and 5 have not been amended. 2. In order to make it clear that if the Shareholders' Meeting of the Company is held by means of visual communication, when calculating the total number of shares of the Shareholders present, the number of shares of the Shareholders registered by means of visual communication shall be added, and Item 1 is amended. 3. When the Shareholders' Meeting of the Company is held by means of visual communication, if the Chairman announces the adjournment of the meeting, the Company shall make a separate announcement on the adjournment of the meeting on the video conferencing platform of the Shareholders' Meeting to inform the Shareholders in real time, and Item 3 is amended. 4. If the Company decides to convene another Shareholders' Meeting by a tentative resolution, Shareholders who wish</p> |

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|    | <p>stipulated in the foregoing but Shareholders representing more than one-third of the total number of issued shares are present, a tentative resolution may be made in accordance with the provisions of Article 175, Item 1 of the Company Act, and each shareholder shall be notified of the said tentative resolution to resume a Shareholders' Meeting within one month. <u>If the Shareholders' Meeting is held by means of visual communication, the Shareholders who wish to attend by means of visual communication shall re-register with the Company in accordance with Article 6.</u> Prior to the end of the current meeting,</p>                                                                                                                                                                                                                                                                                                                                                                                           | <p>present, a tentative resolution may be made in accordance with the provisions of Article 175, Item 1 of the Company Act, and each shareholder shall be notified of the said tentative resolution to resume a Shareholders' Meeting within one month Prior to the end of the current meeting, if Shareholders representing _____ of the number of shares are present</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>to attend the meeting by means of visual communication shall register with the Company, and Item 4 is amended.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 9  | <p>If the Shareholders in attendance represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the Shareholders' Meeting for voting in accordance with the provisions of Article 174 of the Company Act.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the Shareholders' Meeting for voting in accordance with the provisions of Article 174 of the Company Act.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 11 | <p>Article 11<br/>Before the speech, a Shareholder present at the meeting shall specify on the speaker's slip the subject of the speech, the shareholder account number (or attendance card number) and the account name. The order in which Shareholders speak shall be set by the Chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject stated on the speaker's slip, the content of the speech shall prevail. Except with the consent of the Chairman, a Shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the Shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairman may terminate the speech. When a Shareholder in attendance is speaking, other Shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairman and the</p> | <p>Article 11<br/>Before the speech, a Shareholder present at the meeting shall specify on the speaker's slip the subject of the speech, the shareholder account number (or attendance card number) and the account name. The order in which Shareholders speak shall be set by the Chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject stated on the speaker's slip, the content of the speech shall prevail. Except with the consent of the Chairman, a Shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the Shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairman may terminate the speech. When a Shareholder in</p> | <p>1. Items 1 to 6 have not been amended.<br/>2. In order to clearly specify the methods, procedures and restrictions of questioning by Shareholders participating in the Shareholders' Meeting by means of visual communication, Item 7 is added.<br/>3. In order to help other Shareholders understand the content of the questions asked by the Shareholders, the Company shall filter the questions not related to the items on the agenda of the Shareholders' Meeting, and disclose the questions asked by the remaining shareholders on the video platform, and Item 8 is added.</p> |

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|  | <p>Shareholder who is speaking; the Chairman shall stop any violation. When a legal person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal. After a Shareholder in attendance has spoken, the Chairman may respond in person or direct relevant personnel to respond.</p> <p><u>If the Shareholders' Meeting is by means of visual communication, the Shareholders participating by means of visual communication may, after the Chairman announces the commencement of the meeting and before the adjournment of the meeting, ask questions by text on the video conferencing platform of the Shareholders' Meeting. The number of questions for each proposal shall not exceed two times, each time being limited to 200 words, and the provisions of Items 1 to 5 shall not apply. If the foregoing question does not violate the regulations or does not fall outside the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the Shareholders' Meeting for information.</u></p> | <p>attendance is speaking, other Shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairman and the Shareholder who is speaking; the Chairman shall stop any violation.</p> <p>When a legal person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal. After a Shareholder in attendance has spoken, the Chairman may respond in person or direct relevant personnel to respond.</p> <p><u>Added.</u></p> <p><u>Added.</u></p> |  |
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| 13 | <p>Article 13 A Shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Item 2 of the Company Act. When the Company holds a Shareholders' Meeting, it may allow the Shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the notice of convening the Shareholders Meeting. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the Shareholders' Meeting in person, but to have waived his/her rights with respect to the extemporary motions and amendments to original proposals of that Shareholders' Meeting; it is therefore advisable that the Company shall avoid the submission of extemporary motions and amendments to original proposals. A Shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall serve a written declaration of intent to the</p> | <p>Article 13 A Shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Item 2 of the Company Act. When the Company holds a Shareholders' Meeting, it may allow the Shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the notice of convening the Shareholders Meeting. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the Shareholders' Meeting in person, but to have waived his/her rights with respect to the extemporary motions and amendments to original proposals of that Shareholders' Meeting; it is therefore advisable that the Company shall avoid the submission of extemporary motions and amendments to original proposals. A Shareholder intending to exercise voting rights by</p> | <p>1. Items 1 to 3 and 5 to 8 have not been amended. 2. In order to clearly stipulate that after a Shareholder has exercised voting rights by correspondence or electronic means, in the event that the Shareholder intends to attend the Shareholders' Meeting by means of visual communication, he/she shall first retract by the same manner by which the voting rights were exercised, and Item 4 is amended. 3. If a Shareholders' Meeting is held by means of visual communication, in order to allow shareholders participating in the meeting by means of visual communication to have sufficient voting time, when the Chairman announces the commencement of the meeting to the time when he announces the poll is concluded, the votes of the original</p> |
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Company two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. except when a declaration is made to cancel the earlier declaration of intent. After a Shareholder has exercised voting rights by correspondence or electronic means, in the event the Shareholder intends to attend the Shareholders' Meeting in person or by means of visual communication, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a Shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Articles of Incorporation of the Company, the approval of a proposal shall require an affirmative vote of a majority of the voting rights represented by the Shareholders in attendance. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the Shareholders in attendance, followed by a poll of the Shareholders. After the conclusion of the Shareholders' Meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System. When there is an amendment or an alternative to a proposal, the Chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and

correspondence or electronic means under the preceding paragraph shall serve a written declaration of intent to the Company two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. except when a declaration is made to cancel the earlier declaration of intent. After a Shareholder has exercised voting rights by correspondence or electronic means, in the event the Shareholder intends to attend the Shareholders' Meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a Shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Articles of Incorporation of the Company, the approval of a proposal shall require an affirmative vote of a majority of the voting rights represented by the Shareholders in attendance. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the Shareholders in attendance, followed by a poll of the Shareholders. After the conclusion of the Shareholders' Meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of ~~abstentions~~ abstentions, shall be entered into the Market Observation Post System. When there is an amendment or an alternative to a proposal, the Chairman shall

proposals may be cast. The vote counting shall be a one-time to match the voting time of the Shareholders participating in the meeting by means of visual communication, and thus Items 9 and 10 are added. 4. If a Shareholder of the video-assisted Shareholders' Meeting who has registered to attend the meeting by means of visual communication intends to attend the physical Shareholders' Meeting in person, the registration shall be retracted in the same manner as the registration two days prior to the Shareholders' Meeting. If the registration is cancelled after that time, the Shareholder may only participate in the Shareholders' Meeting by means of visual communication, and thus Item 11 is added. 5. With reference to the Ministry of Economic Affairs letter Jing Shang Zi No. 10102404740 dated February 24, 2002 and the interpretation of the letter Jing Shang Zi No. 10102414350 dated May 3 of the same year, Shareholders exercising their voting rights by electronic means who have not submitted the declaration of intent to retract the voting rights, the original proposal cannot be proposed for amendment, nor can they exercise their voting rights, but the said Shareholders may still attend the Shareholders' Meeting on the day of the Shareholders' Meeting, and may propose extemporary motions on-site

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| 13 | <p>The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made.</p> <p><u>When the Company convenes a Shareholders' Meeting by means of visual communication, after the Chairman announces the commencement of the meeting, Shareholders attending the meeting by means of visual communication shall cast votes on proposals and elections on the video conferencing platform before the Chairman announces the voting session ends or shall be deemed abstained from voting.</u></p> <p><u>If a Shareholders' Meeting is held by means of visual communication, after the Chairman announces the voting session ends, the votes shall be counted in one go and the results of the voting and election shall be announced.</u></p> <p><u>When the Company convenes a video-assisted Shareholders' Meeting, if a Shareholder who has registered to attend the Shareholders' Meeting by means of visual communication in accordance with the provisions of Article 6 intends to attend the physical Shareholders' Meeting in person, the registration shall be retracted in the same manner as the registration two days prior to the Shareholders' Meeting. If the registration is cancelled after that time, the Shareholder may only attend the Shareholders' Meeting by means of visual communication. Shareholders who have exercised their voting rights by correspondence or electronic means, has not withdrawn their declaration of intent and participate in the Shareholders' Meeting by means of visual communication shall not exercise their voting rights in respect of the original proposal or propose amendments to the original proposal or exercise their voting rights in respect of the amendment to the original proposal</u></p> | <p>Provided that all monitoring personnel shall be shareholders of the Company. Vote counting for Shareholders' Meeting proposals on voting or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made.</p> <p><u>Added.</u></p> <p><u>Added.</u></p> <p><u>Added.</u></p> <p><u>Added.</u></p> | <p>, and shall exercise their voting rights. Considering that both written and electronic voting is one of the ways in which Shareholders exercise their rights, based on the principle of fair treatment, the written voting shall also follow the normative spirit of the previous electronic voting in order to protect the rights and interests of Shareholders, so Item 12 clearly stipulates that Shareholders who have exercised their voting rights by correspondence or electronic means may still register to participate in the Shareholders' Meeting by means of visual communication if they have not cancelled the declaration of intent, but may not not vote the original proposal or amendments to the original proposal or propose amendments to the original proposal except where they may propose and exercise voting rights on extemporary motions.</p> |
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|    | <u>except in the case of a extemporary motion.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 15 | <p>Article 15</p> <p>Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System. The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the full name of the Chairman, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of Directors or Supervisors. shall be retained for the duration of the existence of the Company.</p> | <p>Article 15</p> <p>Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System. The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the full name of the Chairman, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of</p> | <p>1. Items 1 to 3 have not been amended.<br/>2. In order to help Shareholders understand the results of convening the video conference, the alternative measures for the Shareholders with digital divide and the handling methods and circumstances of disconnection, it is required that the Company shall, in addition to the particulars to be included in the meeting minutes as described in Item 3, include in the minutes of the Shareholders' Meeting the start time and end time of the meeting, how the meeting is convened, the name of the Chairman and secretary, and due to natural disasters, accidents or other</p> |

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|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | an election of Directors. for the duration of the existence of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | force majeure events                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 15 | <p>retained.</p> <p><u>Where a Shareholders' Meeting is convened by means of visual communication, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders' Meeting, how the meeting is convened, the name of the Chairman and secretary, and actions to be taken in the event of disruption to the video conferencing platform or participation in the meeting by means of visual communication due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a Shareholders' Meeting by means of visual communication, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to Shareholders with difficulties in attending a Shareholders' Meeting by means of visual communication.</u></p>                                                                                                                                                                                   | <p>retained permanently.</p> <p><u>Added.</u></p> <p><u>Added.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>actions to be taken in the event of disruption to the video conferencing platform or participation in the meeting by means of visual communication, and how issues are dealt, and Item 4 is added.</p> <p>3. If a Shareholders' Meeting by means of visual communication is convened, the convening notice shall specify the appropriate alternative measures for Shareholders who have difficulty in participating in the Shareholders' Meeting by means of visual communication, and it is clearly stipulated that the minutes shall specify the alternative measures provided for such Shareholders with digital divide, and Item 5 is added.</p>                                                       |
| 16 | <p><u>Article 16 On the day of a Shareholders Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by Shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the venue of the Shareholders' meeting. If the Shareholders' Meeting is held by means of visual communication, the Company shall upload the aforementioned meeting materials to the video conferencing platform of the Shareholders' Meeting at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company's Shareholders Meeting by means of visual communication, when the meeting is announced to commence, the total number of shares represented at the meeting shall be disclosed on the video conferencing platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting. If</u></p> | <p>Article 16 On the day of a Shareholders Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the venue of the Shareholders' meeting. <u>Added.</u> If matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under the regulations of the Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of such resolution to the Market Observation Post System within the prescribed time period.</p> | <p>1. In order to inform Shareholders of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and the number of shares represented by Shareholders attending the meeting by correspondence or electronic means, the Company shall make an express disclosure of the same at the venue of the Shareholders' meeting. If the Company convenes a meeting by means of visual communication, it shall upload the information to the video conferencing platform of the Shareholders' Meeting, and Item 1 is amended.</p> <p>2. In order to enable the Shareholders participating in the Shareholders' Meeting by means of visual communication to</p> |

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|    | <p>matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under the regulations of the Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of such resolution to the Market Observation Post System within the prescribed time period.</p>                                                                      |                      | <p>know simultaneously whether the number of shares represented by Shareholders attending the meeting reaches the threshold of the Shareholders' Meeting, it is clearly stipulated that the Company shall disclose the total number of shares represented by Shareholders attending the meeting to the video conferencing platform when the meeting is announced to commence. If the total number of shares represented by Shareholders attending the meeting and the number of voting rights of the Shareholders are counted after that, the Company shall also disclose the same to the video conferencing platform, and Item 2 is added.</p> |
| 19 | <p><u>Article 19</u><br/><u>If a Shareholders' Meeting is convened by means of visual communication, the Company shall disclose real-time results of votes of each proposal and election immediately after the end of the voting session on the video conferencing platform according to the regulations, and such disclosure shall continue at least 15 minutes after the Chairman has announced the meeting adjourned.</u></p> | <p><u>Added.</u></p> | <p>1. This Article is added.<br/>2. In order for the Shareholders participating in the Shareholders' Meeting by means of visual communication to be immediately informed of the voting situation of each proposal and election results, sufficient information disclosure time shall be regulated, and this Article is added.</p>                                                                                                                                                                                                                                                                                                               |
| 20 | <p><u>Article 20</u><br/><u>When the Company convenes a Shareholders' Meeting by means of visual communication, both the Chairman and secretary shall be in the same location, and the Chairman shall announce the address of their location when the meeting commences.</u></p>                                                                                                                                                 | <p><u>Added.</u></p> | <p>1. This Article is added.<br/>2. When a Shareholders' Meeting is held by means of visual communication and there is no physical venue for the meeting, both the Chairman and secretary shall be in the same location, and in order for the Shareholders to know the location of the Chairman the Chairman shall announce the address of their location when</p>                                                                                                                                                                                                                                                                              |

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| 21 | <p><u>Article 21</u><br/> <u>In the event of a Shareholders' Meeting by means of visual communication, the Company may, as the case may be, offer a simple connection test to Shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u><br/> <u>In the event of a Shareholders' Meeting by means of visual communication, when announcing the commencement of the meeting, the Chairman shall also announce, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conferencing platform or participation by means of visual communication is obstructed due to natural disasters, accidents or other force majeure events before the Chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u><br/> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, Shareholders who have not registered to participate in the affected Shareholders' Meeting by means of visual communication shall not attend the postponed or resumed session.</u><br/> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the Shareholders who have registered to participate in the affected Shareholders' Meeting by means of visual communication and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected Shareholders' Meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u><br/> <u>During a postponed or resumed session of a Shareholders' Meeting</u></p> | <u>Added.</u> | <p>1. This Article is added.<br/> 2. In order to reduce communication problems in video conferencing, referring to overseas practices, it is necessary to offer a connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues, and Item 1 is added.<br/> 3. When the Company convenes a Shareholders' Meeting by means of visual communication, the Chairman shall announce at the meeting that if the video conferencing platform or participation by means of visual communication is obstructed due to natural disasters, accidents or other force majeure events, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply only after being resolved by the Shareholders' Meeting, and Item 2 is added.<br/> This Article shall not apply to any failure to convene or participate in a video conference by the Company, video conference platform, Shareholder, solicitor or proxy as a result of individual intention or negligence.<br/> 4. For a meeting to be postponed or resumed under the second paragraph, in accordance with the provisions of Article 44-22 of the</p> |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|    | <p><u>held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and the results or list of elected Directors and Supervisors has/have been announced.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | <p>Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 21 | <p><u>When the Company convenes a video-assisted Shareholders' Meeting, and the video conference cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by Shareholders attending the Shareholders' Meeting by means of visual communication, still meets the minimum legal requirement for a Shareholder' Meeting, then the Shareholders' Meeting shall continue, and no postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the number of shares represented by Shareholders attending the Shareholders' Meeting by means of visual communication shall be counted towards the total number of shares represented by Shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that Shareholders' Meeting. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the Shareholders' Meeting that is postponed or resumed under the second paragraph.</u></p> |  | <p>Shareholders (including solicitors and proxies) not having registered to attend the affected Shareholders' Meeting by means of visual communication shall not attend the postponed or resumed session, to be in line with the added Item 3. As for the convening of a video-assisted Shareholders' Meeting, the Shareholders who originally participated in the physical Shareholders' Meeting may continue to participate in the physical postponed or resumed meeting, and an explanation shall be given.</p> <p>5. For a meeting to be postponed or resumed under the second paragraph, in accordance with Article 44-20, paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the number of shares represented by, and voting rights and election rights exercised by the Shareholders who have registered to participate in the affected Shareholders' Meeting by means of visual communication and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected Shareholders' Meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the</p> |

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|    |  |  | <p>postponed or resumed session, to be in line with the added Item 4. 6. When the Shareholders' Meeting needs to be postponed or resumed due to the failure to resume the meeting as a result of communication barrier, the resolution is deemed to have completed and no further discussion or resolution is required for proposals for which votes have been cast and counted and the results or list of elected Directors and Supervisors has/have been announced to reduce the time and cost of resuming the meeting, and Item 5 is stipulated.</p> <p>7. Considering that physical meeting and video conference are conducted at the same time in the video-assisted Shareholders' Meeting,</p> |
| 21 |  |  | <p>If the video conferencing platform or participation by means of visual communication is obstructed due to natural disasters, accidents or other force majeure events, but the physical Shareholders' Meeting is still conducting, if the total number of shares represented at the meeting, after deducting those represented by Shareholders attending the Shareholders' Meeting by means of visual communication, still meets the minimum legal requirement for a Shareholder' Meeting, then the Shareholders' Meeting shall continue, and no postponement or resumption thereof under the second paragraph is required, and Item 6 is stipulated. 8. Under the circumstances where a</p>       |

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|  |  |  | <p>meeting should continue as in the preceding paragraph without postponement or resumption of the meeting, in accordance with the provisions of Article 44-20, paragraph 5 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the number of shares represented by Shareholders (including solicitors and proxies) attending the Shareholders' Meeting by means of visual communication shall be counted towards the total number of shares represented by Shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that Shareholders' Meeting, and Item 7 is added. 9. Considering that the postponement or resumption of the meeting due to the previous disconnection is virtually identical to the original Shareholders' Meeting, it is not necessary to handle the relevant preparatory work of the Shareholders' Meeting again in accordance with the provisions of Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies due to the date of the postponement or resumption of the Shareholders' Meeting. 10. Considering that the video conference of the Shareholders' Meeting has been postponed, in accordance with Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for</p> |
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|    |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|    |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                       | Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2 of the Regulations Governing the Administration of Shareholder Services of Public Companies,                                                                                                                                                                                                                                                                                                                        |
| 21 |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                       | Matters that need to be publicly announced and disclosed by the Shareholders' Meeting on the day under Article 44-15, and Article 44-17, paragraph 1 are still required to be disclosed to Shareholders on the day when the meeting is postponed or resumed, and Item 9 is stipulated.                                                                                                                                                                                                                    |
| 22 | <u>Article 22</u><br><u>When convening a Shareholders' Meeting by means of visual communication, the Company shall provide appropriate alternative measures available to Shareholders with difficulties in attending the Shareholders' Meeting by means of visual communication.</u> | <u>Added.</u>                                                                                                                                                                                         | 1. This Article is added.<br>2. When the Company convenes a Shareholders' Meeting by means of visual communication, considering that Shareholders with digital divide may be hindered from participating in the Shareholders' Meeting by means of visual communication, the Company shall provide Shareholders with appropriate alternative measures, such as exercising their voting rights by correspondence or providing necessary equipment for Shareholders to borrow to participate in the meeting. |
| 23 | <u>Article 23</u><br><u>These Rules shall take effect after having been submitted to and approved by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.</u>                                                                                | <u>Article 19</u><br><u>These Rules shall take effect after having been submitted to and approved by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.</u> | The provisions are adjusted in line with these added provisions.                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## **Appendix I Code of Practice on Corporate Governance (Before amendment)**

### **Chapter I General Principles**

#### **Article 1**

The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by TWSE and TPEX listed companies, to assist them in establishing sound corporate governance systems and promote sound development of the securities market.

TWSE/TPEX listed companies are advised to formulate their own corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS).

#### **Article 2**

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, a TWSE/TPEX listed company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

#### **Article 3**

A TWSE/TPEX listed company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

A TWSE/TPEX listed company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. TWSE/TPEX listed companies are advised to establish channels and mechanisms of communication between their independent directors, audit committees or supervisors, and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.

The management of a TWSE/TPEX listed company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to

conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system. Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of a TWSE/TPEX listed company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

#### Article 3-1

(Personnel responsible for corporate governance affairs)

A TWSE/TPEX listed company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and supervisors
4. Furnishing information required for business execution by directors and supervisors
5. Assisting directors and supervisors with legal compliance
6. Other matters set out in the articles of incorporation or contracts

### Chapter II Protection of Shareholders' Rights and Interests

#### Section 1 Encouraging Shareholders to Participate in Corporate Governance

##### Article 4

The corporate governance system of a TWSE/TPEX listed company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

A TWSE/TPEX listed company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

##### Article 5

A TWSE/TPEX listed company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. TWSE/TPEX listed companies shall faithfully implement

resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of TWSE/TPEX listed companies shall comply with laws, regulations and articles of incorporation.

#### Article 6

The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

#### Article 7

A TWSE/TPEX listed company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. A TWSE/TPEX listed company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

A TWSE/TPEX listed company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

TWSE/TPEX listed companies are advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

#### Article 8

A TWSE/TPEX listed company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the

date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or supervisors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

#### Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

#### Article 10

A TWSE/TPEX listed company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, a TWSE/TPEX listed company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of a TWSE/TPEX listed company become aware of the contents of the company's financial reports or relevant results.

#### Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee or supervisors, and managers of the TWSE/TPEX listed company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

#### Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, a TWSE/TPEX listed company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When a TWSE/TPEX listed company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.

The relevant personnel of a TWSE/TPEX listed company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

#### Article 13

In order to protect the interests of the shareholders, it is advisable that a TWSE/TPEX listed company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

A TWSE/TPEX listed company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that a TWSE/TPEX listed company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

### Section 2 Establishing a Mechanism for Interaction with Shareholders

#### Article 13-1

(The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of a TWSE/TPEX listed company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

#### Article 13-2

(Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of a TWSE/TPEX listed company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

### Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

#### Article 14

A TWSE/TPEX listed company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

#### Article 15

Unless otherwise provided by the laws and regulations, a manager of a TWSE/TPEX listed company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

#### Article 16

A TWSE/TPEX listed company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

#### Article 17

When a TWSE/TPEX listed company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between a TWSE/TPEX listed company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

## Article 18

A corporate shareholder having controlling power over a TWSE/TPEX listed company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

## Article 19

A TWSE/TPEX listed company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

A TWSE/TPEX listed company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

## Chapter III Enhancing the Functions of the Board of Directors

### Section 1 Structure of the Board of Directors

## Article 20

The board of directors of a TWSE/TPEX listed company shall direct company strategies, supervise the management, and be responsible to the company and

shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of a TWSE/TPEX listed company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.

2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.

2. Ability to perform accounting and financial analysis.

3. Ability to conduct management administration.

4. Ability to conduct crisis management.

5. Knowledge of the industry.

6. An international market perspective.

7. Ability to lead.

8. Ability to make policy decisions.

## Article 21

A TWSE/TPEX listed company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of a TWSE/TPEX listed company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of a TWSE/TPEX listed company shall comply with the laws and regulations. Restrictions on the share transfer

of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

#### Article 22

A TWSE/TPEX listed company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

#### Article 23

(The board of directors of a TWSE/TPEX company shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of a TWSE/TPEX listed company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

A TWSE/TPEX listed company with a functional committee shall clearly define the responsibilities and duties of the committee.

### Section 2 Independent Director System

#### Article 24

(A TWSE/TPEX listed company shall appoint independent directors in accordance with its articles of incorporation)

A TWSE/TPEX listed company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If a TWSE/TPEX listed company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the TWSE/TPEX listed company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent

director, the TWSE/TPEX listed company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the TWSE/TPEX listed company, any foundation to which the TWSE/TPEX listed company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

#### Article 25

A TWSE/TPEX listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

#### Article 26

A TWSE/TPEX listed company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

A TWSE/TPEX listed company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

## Section 3 Functional Committees

### Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of a TWSE/TPEX listed company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

### Article 28

A TWSE/TPEX listed company shall establish either an audit committee or a supervisor.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

#### Article 28-1

A TWSE/TPEX listed company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

#### Article 28-2

(A TWSE/TPEX listed company is advised to establish a nomination committee)

A TWSE/TPEX listed company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson

### Article 28-3

#### (A whistleblowing system)

A TWSE/TPEX listed company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

### Article 29

To improve the quality of its financial reports, a TWSE/TPEX listed company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

A TWSE/TPEX listed company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

### Article 30

It is advisable that a TWSE/TPEX listed company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

#### Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

##### Article 31

The board of directors of a TWSE/TPEX listed company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

A TWSE/TPEX listed company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

##### Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

##### Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of a TWSE/TPEX listed company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure

to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

#### Article 34

Staff personnel of a TWSE/TPEX listed company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

#### Article 35

A TWSE/TPEX listed company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

#### Article 36

A TWSE/TPEX listed company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

### Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

#### Article 37

(Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that a TWSE/TPEX listed company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

- 1.The degree of participation in the company's operations.
- 2.Improvement in the quality of decision making by the board of directors.
- 3.The composition and structure of the board of directors.
- 4.The election of the directors and their continuing professional education.
- 5.Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

- 1.Their grasp of the company's goals and missions.
- 2.Their recognition of director's duties.
3. Their degree of participation in the company's operations.
- 4.Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that a TWSE/TPEX company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

A TWSE/TPEX listed company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

#### Article 37-1

It is advisable for a TWSE/TPEX listed company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

#### Article 37-2

(Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of a TWSE/TPEX company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

#### Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

#### Article 39

A TWSE/TPEX listed company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

A TWSE/TPEX listed company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

#### Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance

upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

## Chapter IV Empowering Supervisors

### Section 1 Functions of Supervisors

#### Article 41

A TWSE/TPEX listed company shall stipulate a fair, just, and open procedure for the election of supervisors, and shall adopt a cumulative voting mechanism pursuant to the Company Act to fully reflect the opinions of the shareholders.

A TWSE/TPEX listed company shall take into consideration the needs of overall business operations and comply with the rules of the TWSE or TPEX in setting the minimum number of supervisors.

The aggregate shareholding percentage of all of the supervisors of a TWSE/TPEX listed company shall comply with laws and regulations. Restrictions on share transfers by each supervisor and the creation, release, or changes in pledges of shares held by each supervisor shall comply with the relevant laws and regulations, and the relevant information shall be fully disclosed.

#### Article 42

(Specification in the articles of incorporation the adoption of the candidate nomination system for elections of supervisors)

A TWSE/TPEX listed company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of supervisors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

#### Article 43

Unless otherwise approved by the competent authority, at least one supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director.

A TWSE/TPEX listed company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable supervisor to enhance the risk management and financial and operational control of the company.

A supervisor will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.

### Section 2 Powers and Obligations of Supervisors

#### Article 44

A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the company and the functions, duties, and operation of each department. A supervisor shall attend meetings of the board of directors to supervise their operations and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on.

A TWSE/TPEX listed company shall stipulate the supervisor's remuneration in its articles of incorporation or by an approval in a shareholders meeting.

#### Article 45

A supervisor shall supervise the implementation of the operations of the company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the company, a supervisor shall act as the representative of the company. In the event that the company has set up an audit committee, an independent director member of the audit committee shall act as the representative of the company in the above situation.

#### Article 46

A supervisor may investigate the operational and financial conditions of the company from time to time, and the relevant departments in the company shall provide the books or documents that will be needed for the supervisor's review, transcription or duplication.

When reviewing the finance or operations of the company, a supervisor may retain attorneys or CPAs on behalf of the company to perform the review; however, the company shall inform the relevant persons of their confidentiality obligations.

The board of directors or managers shall submit reports in accordance with the request of the supervisors and shall not for any reason circumvent, obstruct, or refuse the inspection of the supervisor.

When a supervisor performs his/her duties, a TWSE/TPEX listed company shall provide necessary assistance as needed by the supervisor, and the reasonable expenses that the supervisor needs shall be borne by the company.

#### Article 47

For supervisors to timely discover any possible irregular conduct in the company, a TWSE/TPEX listed company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, a supervisor shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the supervisors shall investigate the reasons.

In the event that a supervisor neglects his/her duties and therefore causes harm to the company, the supervisor shall be liable to the company.

#### Article 48

When exercising his/her supervisory power, each supervisor of a TWSE/TPEX listed company may, after taking into consideration the overall interest of the company and shareholders, convene a meeting to exchange opinions among all the supervisors when he or she feels necessary, but in so doing may not obstruct supervisors in exercising their duties.

#### Article 49

A TWSE/TPEX listed company shall take out supervisors liability insurance with respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoing or negligence of a supervisor.

A TWSE/TPEX listed company is advised to report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for supervisors, at the next board meeting.

#### Article 50

Upon becoming supervisors and throughout their terms, supervisors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies covering subjects relating to corporate governance.

### Chapter V Respecting Stakeholders' Rights

#### Article 51

(A TWSE/TPEX listed company shall maintain communication with stakeholders and safeguard their rights and interests)

A TWSE/TPEX listed company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

#### Article 52

A TWSE/TPEX listed company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

#### Article 53

A TWSE/TPEX listed company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

#### Article 54

In developing its normal business and maximizing the shareholders' interest, a TWSE/TPEX listed company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

### Chapter VI Improving Information Transparency

#### Section 1 Enhancing Information Disclosure

#### Article 55

Disclosure of information is a major responsibility of a TWSE/TPEX listed company. A TWSE/TPEX listed company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

A TWSE/TPEX listed company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

A TWSE/TPEX listed company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

#### Article 56

In order to enhance the accuracy and timeliness of the material information disclosed, a TWSE/TPEX listed company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

A TWSE/TPEX listed company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, a TWSE/TPEX listed company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

#### Article 57

In order to keep shareholders and stakeholders fully informed, a TWSE/TPEX listed company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

#### Article 58

A TWSE/TPEX listed company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

### Section 2 Disclosure of Information on Corporate Governance

#### Article 59

A TWSE/TPEX listed company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules (disclosure of supervisors' information is not required if the company has an audit committee):

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).
3. Structure, professionalism and independence of the board of directors.
4. Responsibility of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee or supervisors.
6. Composition, duties and operation of the remuneration committee and other functional committees.
7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.
8. The progress of training of directors and supervisors.
9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.

11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.

12. Other information regarding corporate governance.

A TWSE/TPEX listed company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

## Chapter VII Supplementary Provisions

### Article 60

A TWSE/TPEX listed company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

**Appendix II Articles of Incorporation (Before amendment)**

**THE COMPANIES LAW (2020 Revision)  
Company Limited by Shares**

**AMENDED AND RESTATED MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF**

**AIRMATE (CAYMAN) INTERNATIONAL CO  
LIMITED**

**艾美特(開曼)國際有限公司**

(adopted by a Special Resolution passed on June 11, 2020)

THE COMPANIES LAW (2020 Revision)  
Company Limited by Shares  
AMENDED AND RESTATED  
MEMORANDUM OF ASSOCIATION  
OF  
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED  
艾美特(開曼)國際有限公司  
(adopted by a Special Resolution passed on June 11, 2020)

- (a) The name of the Company is **Airmate (Cayman) International Co Limited** 艾美特(開曼)國際有限公司.
- (b) The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands or at such other place as the Directors may from time to time decide.
- (c) The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies Law (2020 Revision).
- (d) The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law (2020 Revision).
- (e) Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks & Trust Companies Law (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law (as amended).
- (f) The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
- (g) The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
- (h) The authorised share capital of the Company is New Taiwan Dollars 2,162,500,000 divided into 216,250,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2020 Revision) and, subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

## TABLE OF CONTENTS TABLE OF CONTENTS

### **Table A INTERPRETATION**

#### **1. Definitions**

### **SHARES**

#### **2. Power to Issue Shares**

#### **3. Redemption and Purchase of Shares**

#### **4. Rights Attaching to Shares**

#### **5. Share Certificates**

#### **6. Preferred Shares**

### **REGISTRATION OF SHARES**

#### **7. Register of Members**

#### **8. Registered Holder Absolute Owner**

#### **9. Transfer of Registered Shares**

#### **10. Transmission of Registered Shares**

### **ORDINARY RESOLUTION, SUPERMAJORITY RESOLUTION AND SPECIAL RESOLUTION**

#### **11. Alteration of Capital**

#### **12. Special Resolution and Supermajority Resolution**

#### **13. Variation of Rights Attaching to Shares**

### **DIVIDENDS AND CAPITALISATION**

#### **14. Dividends**

#### **15. Capital Reserve and Power to Set Aside Profits**

#### **16. Method of Payment**

#### **17. Capitalisation**

### **MEETINGS OF MEMBERS**

#### **18. Annual General Meetings**

#### **19. Extraordinary General Meetings**

#### **20. Notice**

#### **21. Giving Notice**

#### **22. Postponement of General Meeting**

#### **23. Quorum and Proceedings at General Meetings**

#### **24. Chairman to Preside**

#### **25. Voting on Resolutions**

#### **26. Proxies**

#### **27. Proxy Solicitation**

#### **28. Dissenting Member's Appraisal Right**

#### **29. Shares that May Not be Voted**

#### **30. Voting by Joint Holders of Shares**

#### **31. Representation of Corporate Member**

#### **32. Adjournment of General Meeting**

#### **33. Directors Attendance at General Meetings**

### **DIRECTORS AND OFFICERS**

#### **34. Number and Term of Office of Directors**

#### **35. Election of Directors**

#### **36. Removal of Directors**

#### **37. Vacation of Office of Director**

#### **38. Compensation of Directors**

#### **39. Defect in Election of Director**

#### **40. Directors to Manage Business**

#### **41. Powers of the Board of Directors**

#### **42. Register of Directors and Officers**

#### **43. Officers**

#### **44. Appointment of Officers**

#### **45. Duties of Officers**

#### **46. Compensation of Officers**

#### **47. Conflict of Interest**

#### **48. Indemnification and Exculpation of Directors and Officers**

### **MEETINGS OF THE BOARD OF DIRECTORS**

#### **49. Board Meetings**

#### **50. Notice of Board Meetings**

#### **51. Participation in Meetings by Video Conference**

#### **52. Quorum at Board Meetings**

#### **53. Board to Continue in the Event of Vacancy**

#### **54. Chairman to Preside**

#### **55. Validity of Prior Acts of the Board**

### **CORPORATE RECORDS**

#### **56. Minutes**

#### **57. Register of Mortgages and Charges**

#### **58. Form and Use of Seal**

### **TENDER OFFER AND ACCOUNTS**

#### **59. Tender Offer**

#### **60. Books of Account**

#### **61. Financial Year End**

### **AUDIT COMMITTEE**

#### **62. Number of Committee Members**

#### **63. Power of Audit Committee**

### **VOLUNTARY WINDING- UP AND DISSOLUTION**

#### **64. Winding-Up**

### **CHANGES TO CONSTITUTION**

#### **65. Changes to Articles REDUCTION OF SHARE CAPITAL**

#### **66. Reduction of Share Capital**

#### **67. Discontinuance**

#### **68. Appointment of Litigious and Non-Litigious Agent**

### **OTHERS**

#### **69. Shareholder Protection Mechanism**

#### **70. ROC Securities Laws and Regulations**

#### **71. Corporate Social Responsibilities**

**THE COMPANIES LAW (2020 Revision)**  
**Company Limited by Shares**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
**OF**  
**AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED**  
**艾美特(開曼)國際有限公司**  
**(adopted by a Special Resolution passed on June 11, 2020)**

**Table A**

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

**INTERPRETATION**

**1. Definitions**

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

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable Law                  | the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Applicable Public Company Rules | the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEx and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company; |
| Articles                        | these Articles of Association as altered from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Audit Committee                 | the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Board                           | the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles;                                                                                                                                                                                                                                                                                                                                                                   |
| Book Closure Period             | has the meaning given thereto in Article 20.3;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Capital Reserve                 | for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the Law;                                                                                                                                                                                                                                                                                                                                                                      |
| Chairman                        | the Director elected amongst all the Directors as the chairman of the Board;                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Company                         | Airmate (Cayman) International Co Limited 艾美特(開曼)國際有限公司;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Compensation Committee          | a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;                                                                                                                                                                                                                                                                                                                                                               |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cumulative Voting                                   | the voting mechanism for an election of Directors as described in Article 35.2;                                                                                                                                                                                                                                                                                                              |
| Directors                                           | the directors for the time being of the Company and shall include any and all Independent Director(s);                                                                                                                                                                                                                                                                                       |
| Directors' Remuneration                             | has the meaning given thereto in Article 14.5;                                                                                                                                                                                                                                                                                                                                               |
| Dissenting Member                                   | has the meaning given thereto in Article 28.2;                                                                                                                                                                                                                                                                                                                                               |
| Electronic Record                                   | has the same meaning as in the Electronic Transactions Law;                                                                                                                                                                                                                                                                                                                                  |
| Electronic Transactions Law                         | the Electronic Transactions Law (2003 Revision) of the Cayman Islands;                                                                                                                                                                                                                                                                                                                       |
| Employees' Compensations                            | has the meaning given thereto in Article 14.5;                                                                                                                                                                                                                                                                                                                                               |
| ESM                                                 | the emerging stock market of the ROC;                                                                                                                                                                                                                                                                                                                                                        |
| Family Relationship within Second Degree of Kinship | in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;                                      |
| FSC                                                 | the Financial Supervisory Commission of the ROC;                                                                                                                                                                                                                                                                                                                                             |
| Independent Directors                               | the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;                                                                                                                                                                                                                                                             |
| Joint Operation Contract                            | a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;                                                                                                                              |
| Law                                                 | The Companies Law of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;                                                                                                                                                                                                                                                                 |
| Lease Contract                                      | a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;                                                     |
| Litigious and Non-Litigious Agent                   | a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;                                                                                                                          |
| Management Contract                                 | a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business; |
| Market Observation Post System                      | the public company reporting system maintained by the TSE;                                                                                                                                                                                                                                                                                                                                   |
| Member                                              | the person registered in the Register of Members as the                                                                                                                                                                                                                                                                                                                                      |

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

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| share(s)                 | share(s) of par value New Taiwan Dollars 10.00 each in the Company;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Share Swap               | a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquiring all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Special Resolution       | Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;                                                                                                                                                                                                                                                                                                              |
| Spin-off                 | a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;                                                                                                                                                                                                                                                                                                                                                                                                          |
| Statutory Reserve        | has the meaning given thereto in Article 14.5;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Subsidiary               | with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company; |
| Supermajority Resolution | a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;                                                                                                                                                                                                                                      |
| Treasury Shares          | has the meaning given thereto in Article 3.13;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TDCC                     | the Taiwan Depository & Clearing Corporation;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| TPEX                     | the Taipei Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| TSE                      | the Taiwan Stock Exchange Corporation; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| year                     | calendar year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

- 1.2 In the Articles, where not inconsistent with the context:
- (a) words denoting the plural number include the singular number and vice versa;
  - (b) words denoting the masculine gender include the feminine and neuter genders;
  - (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
  - (d) the words:-
    - (i) "may" shall be construed as permissive; and
    - (ii) "shall" shall be construed as imperative;
  - (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
  - (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
  - (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
  - (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.
- 1.3 In the Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4 Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

## SHARES

### 2. Power to Issue Shares

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

prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.

- 2.4 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3 hereof, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

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

- 2.5 Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6 The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11 hereof;
  - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;

- (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
- (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
- (f) in connection with the issue of shares in accordance with Article 14.5; or
- (g) in connection with Private Placement of the securities issued by the Company.

2.7 The Company shall not issue any unpaid shares or partly paid-up shares.

2.8 Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the Members is not required.

2.9 Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.

2.10 Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 hereof or the incentive programmes pursuant to Article 2.8 hereof, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

2.11 The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

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

### **3. Redemption and Purchase of Shares**

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

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

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

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

3.5 (i) Subject to the provisions of the Applicable Law and the Articles, the Company may, upon approval by a majority of

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

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

**3.7** For so long as the shares are traded on the ESM or listed on the TSE, the Company is authorised to purchase any share traded on the ESM or listed on the TSE in accordance with the following manner of purchase:

- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:

- (i) the premium received from the disposal of assets that has not been booked as retained earnings;

- (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;

- (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and

- (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:

- such purchase transactions shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules; and

- such purchase transactions shall be in accordance with the Law.

**3.8** The redemption price may be paid in any manner authorised by Article 16.1.

**3.9** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.

**3.10** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).

**3.11** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.

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

#### **4. Rights Attaching to Shares**

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

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

#### **5. Share Certificates**

- 5.1 The Company may issue shares in uncertificated/scripless form or issue share certificates. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal

(or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. For so long as the shares are traded on the ESM or listed on the TSE, shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules.

- 5.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3 Share may not be issued in bearer form.
- 5.4 When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5 Where the Company shall issue the shares in uncertificated/scripless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer through the book-entry system of the TDCC within thirty days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

## **6. Preferred Shares**

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

## **REGISTRATION OF SHARES**

## **7. Register of Members**

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

## **8. Registered Holder Absolute Owner**

Except as required by law:

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

## **9. Transfer of Registered Shares**

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

## **10. Transmission of Registered Shares**

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had

in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

## **11. Alteration of Capital**

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

increase its share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;

sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or

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

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

### **SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION**

## **12. Special Resolution and Supermajority Resolution**

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

- (a) change its name;
- (b) alter or add to the Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; or
- (e) issue securities by way of Private Placement within the territory of the ROC in accordance with the Applicable Public Company Rules.

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

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

- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17 hereof;
- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company;
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation; or
- (f) issuing employee stock options at an issue price lower than the closing price of the shares on the issue date provided that in no event shall the issue price be lower than the par value per share.

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

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

## **13. Variation of Rights Attaching to Shares**

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of the class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

### **DIVIDENDS AND CAPITALISATION**

## **14. Dividends**

- 14.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to the Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or, subject to Article 14.2, wholly or partly in specie. No unpaid dividend shall bear interest as against the Company.
- 14.2** Subject to the provisions of Article 14.1, the Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any shareholder to whom it is proposed to make a distribution in specie and a valuation of the assets for distribution from an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.
- 14.3** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.
- 14.4** Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.
- 14.5** Unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's annual accounts, if there is "surplus profit" (as defined below), the Company shall set aside an amount as compensation to employees and remuneration for the Directors as follows; provided however that, if the Company has accumulated losses, the Company shall reserve an amount thereof first to making up such losses:
- (a) five per cent (5%) to ten per cent (10%) as compensation to employees ("**Employees' Compensations**"), including employees of the Company's Subsidiaries; and
  - (b) no more than three per cent (3%) as remuneration for the Directors (excluding the Independent Directors) ("**Directors' Remuneration**").

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

and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.

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

For so long as the shares are traded on the ESM or listed on the TSE, if there are profits, in making up the profits for the year, the Directors may, subject to compliance with the Law, set aside out of the profits for the year (i) ten per cent (10%) as reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company); and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules.

If there are any remaining profits, such remaining profits, together with a part or whole of accumulated undistributed profits in the previous years, subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 14.5 and such amounts as the Board deems fit in accordance with the dividend policy set out in preceding paragraph, may be distributed as dividends to Members in proportion to their shareholdings. Dividends to be distributed to the Members, may be made by way of cash dividends or by way of stock dividends or a combination thereof, provided that, the cash dividends shall not be less than fifty per cent (50%) of the total amount of dividends payable under the preceding sentence and, provided further that, subject to the Law and the Applicable Public Company Rules and unless otherwise resolved by the Board and the Members, after having considered the financial, business and operational factors of the Company, the amount of the remaining profits distributed as dividends to Members shall not be less than twenty-five per cent (25%) of profit after tax of the relevant year.

**14.6** The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.

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

## **15. Capital Reserve and Power to Set Aside Profits**

**15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

**15.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

## **16. Method of Payment**

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

## **17. Capitalisation**

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

### **MEETINGS OF MEMBERS**

## **18. Annual General Meetings**

- 18.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, which shall be called by the Board.
- 18.2** The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint.
- 18.3** For so long as the shares are traded on the ESM or listed on the TSE, unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the ESM (in the case that the shares are traded on the ESM) or the TSE (in the case that the shares are listed on the TSE) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

## **19. Extraordinary General Meetings**

- 19.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 19.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable.
- 19.3** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.

- 19.4** A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the **aggregate** at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 19.5** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the **reason** therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.
- 19.6** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board.
- 19.7** For so long as the shares are traded on the ESM or listed on the TSE, any one or more Members holding in aggregate more than half of the total number of the issued shares of the Company as at the relevant Book Closure Period for at least three consecutive months may convene an extraordinary general meeting.
- 19.8** In addition to the event that the Board is unwilling or unable to convene a general meeting, an Independent Director of the Audit Committee may convene a general meeting in the interest of the Company when he/she in his/her absolute discretion deems necessary.

## **20. Notice**

- 20.1** Before the shares are traded on the ESM or listed on the TSE, at least five days' notice of a general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 20.2** For so long as the shares are traded on the ESM or listed on the TSE, at least thirty days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.
- 20.3** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. The Board shall fix the period that the Register of Members shall be closed for transfers in accordance with the Applicable Public Company Rules (the "**Book Closure Period**").
- 20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.5** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be

exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 20.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules.

**20.6** For so long as the shares are traded on the ESM or listed on the TSE, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporaneous motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or Articles,
- (c) reduction of share capital,
- (d) application for de-registration as a public company in the ROC,
- (e) (i) dissolution, Merger, Share Swap or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,
- (h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members,
- (i) Private Placement of any equity-related securities to be issued by the Company, and
- (j) issuance of employee stock options at an issue price lower than the closing price of the shares on the issue date.

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

**20.7** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review, transcribe or make copies of the foregoing documents, and the Company shall cause the stock affairs agent to provide such Members with access to above documents.

**20.8** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

**20.9** The Board or any person who is entitled to convene a general meeting under the Articles may demand the Company or the Company's stock affairs agent to provide the Register of Members.

## **21. Giving Notice**

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

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

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

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

## **22. Postponement of General Meeting**

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

## **23. Quorum and Proceedings at General Meetings**

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

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

**23.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote at the meeting shall be decided by a show of hands.

**23.4** For so long as the shares are traded on the ESM or listed on the TSE, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.

**23.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.

**23.6** For so long as the shares are traded on the ESM or listed on the TSE, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or by electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10)

days for Members to submit proposals. The Board shall include a proposal unless (a) the proposing Member(s) holds less than one per cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese characters; (c) the proposing Member(s) has/have proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s). If any of the proposals submitted by such Member(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed at a general meeting.

- 23.7 The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, the Articles and the Applicable Public Company Rules.

## **24. Chairman to Preside**

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

## **25. Voting on Resolutions**

- 25.1 Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 25.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting.
- 25.3 Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 25.4 Subject to the Law, for so long as the shares are traded on the ESM or listed on the TSE, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if a general meeting is to be held outside the ROC or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power 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 and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such

manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

- 25.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.
- 25.6** A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

## **26. Proxies**

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

## **27. Proxy Solicitation**

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

**28. Dissenting Member's Appraisal Right**

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

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;
- (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

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

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

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

**29. Shares that May Not be Voted**

**29.1** Shares held:

- (a) by the Company itself;

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

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

- 29.2** A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- 29.3** For so long as the shares are traded on the ESM or listed on the TSE, if the number of shares pledged by a Director at any time amounts to more than 50% of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding 50% of the total shares held by such Director at the time of his latest appointment, up to 50% of the total number of shares held by the Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting.

### **30. Voting by Joint Holders of Shares**

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

### **31. Representation of Corporate Member**

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

### **32. Adjournment of General Meeting**

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

### **33. Directors Attendance at General Meetings**

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

## **DIRECTORS AND OFFICERS**

### **34. Number and Term of Office of Directors**

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

### **35. Election of Directors**

- 35.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 35.2** The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "**Cumulative Voting**") in the following manner:
- (i) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting;

- (j) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates;
  - (k) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
  - (l) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 35.3 For so long as the shares are traded on the ESM or listed on the TSE, if the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 35.4 For so long as the shares are traded on the ESM or listed on the TSE, if the number of Directors is less than seven (7) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 35.5 Where a legal entity is a Member, its authorized representative may be elected as Director of the Company in accordance with the Articles. If there are more than one authorized representatives, each of them may be nominated for election at a general meeting.

## **36. Removal of Directors**

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

general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

### **37. Vacation of Office of Director**

37.1 The office of Director shall be vacated:

- (a) if the Director is removed from office pursuant to the Articles;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2;
- (f) if the Director is automatically removed in accordance with Article 37.2;
- (g) if the Director ceases to be a Director in accordance with Article 37.3; or
- (h) with immediate effect without any action required on behalf of the Company if

the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;

an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;

the Director has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration having not been revoked yet;

the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full term or (C) less than five years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;

the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and (A) has not commenced to serve the term of the sentence yet, or (B) has commenced to serve the term of sentence but not yet served the full

term or (C) less than two years have elapsed from the date of completion of the full sentence, the date of expiry of probation period or the date on which the Director has been pardoned;

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

the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

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

- 37.2 In case a Director (other than an Independent Director) has, during the term of office as a Director (other than an Independent Director), transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, *ipso facto*, be removed automatically from the office of Director with immediate effect and in such case no approval from the Members shall be required.
- 37.3 If a Director (other than an Independent Director) has, after having been elected as a Director (other than an Independent Director) but before assuming his office, transferred more than one half of the Company's shares being held by him at the time of his election as a Director (other than an Independent Director), or if the said Director, during the Book Closure Period prior to a general meeting, has transferred more than one half of the Company's shares being held by him, then the election of such Director shall immediately be invalidated without the need of any shareholders' approval.

## **38. Compensation of Directors**

- 38.1** For so long as the shares are traded on the ESM or listed on the TSE, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM, the Board may resolve to establish a Compensation Committee.
- 38.2** The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 38.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any

committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

### **39. Defect in Election of Director**

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director.

### **40. Directors to Manage Business**

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

### **41. Powers of the Board of Directors**

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

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Board;

- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

## **42. Register of Directors and Officers**

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

- (a) first name and surname; and
- (b) address.

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

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers,

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

## **43. Officers**

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

## **44. Appointment of Officers**

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

## **45. Duties of Officers**

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

## **46. Compensation of Officers**

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

## **47. Conflicts of Interest**

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

**47.2** A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the

Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 28.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director, has a personal interest in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. For the purpose of this Article 47.2, the terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

- 47.3** Notwithstanding anything to the contrary contained in this Article 47, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.
- 47.4** Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

#### **48. Indemnification and Exculpation of Directors and Officers**

- 48.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.
- 48.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his

capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

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

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

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

**48.4** Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

## **MEETINGS OF THE BOARD OF DIRECTORS**

### **49. Board Meetings**

**49.1** Board meetings shall be convened by the Chairman, and the Board may meet for the transaction of business, adjourn

**49.2** For so long as the shares are traded on the ESM or listed on the TSE, the Company shall hold regular meetings of the Board at least on a quarterly basis and such meetings shall be held in compliance with the Applicable Public Company Rules.

**49.3** A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail. For these purposes, where Directors present and entitled to vote at the meeting do not cast a vote at the meeting, such Directors will be deemed to vote against the resolution.

- 49.4** A Director may be represented at any meetings of the Board by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.
- 49.5** The instrument appointing a proxy shall be in writing in such form as the Board may approve and may at any time be revoked in like manner, and notice of every such appointment or revocation in like manner.
- 49.6** A proxy must be a Director and can only act on behalf of one appointing Director at a meeting of the Board.

## **50. Notice of Board Meetings**

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

## **51. Participation in Meetings by Video Conference**

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

## **52. Quorum at Board Meetings**

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

## **53. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number.

## **54. Chairman to Preside**

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

## **55. Validity of Prior Acts of the Board**

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

## **CORPORATE RECORDS**

## **56. Minutes**

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

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

## **57. Register of Mortgages and Charges**

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

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

## **58. Form and Use of Seal**

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

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

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

### **TENDER OFFER AND ACCOUNTS**

## **59. Tender Offer**

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

## **60. Books of Account**

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

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

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

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

**60.3** The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

## **61. Financial Year End**

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

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

### **AUDIT COMMITTEE**

## **62. Number of Committee Members**

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

## **63. Powers of Audit Committee**

63.1 The Audit Committee (if established) shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;

- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports (if applicable under the Applicable Public Company Rules); and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

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

#### **VOLUNTARY WINDING-UP AND DISSOLUTION**

### **64. Winding-Up**

- 64.1 The Company may be voluntarily wound-up in accordance with Article 12.4.
- 64.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in kind the whole or

any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## **CHANGES TO CONSTITUTION**

### **65. Changes to Articles**

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

## **REDUCTION OF SHARE CAPITAL**

### **66. Reduction of Share Capital**

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

### **67. Discontinuance**

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

## **APPOINTMENT OF LITIGIOUS AND NON-LITIGIOUS AGENT**

### **68. Appointment of Litigious and Non-Litigious Agent**

For so long as the shares are traded on the ESM or listed on the TSE, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

## **OTHERS**

### **69. Shareholder Protection Mechanism**

If the Company proposes to undertake:

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

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

**70. ROC Securities Laws and Regulations**

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

**71. Corporate Social Responsibilities**

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

## **Appendix III Operating Procedures for Acquisition or Disposal of Assets (Before amendment)**

### **Chapter I General Principles**

#### **Article 1**

The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by TWSE and TPEX listed companies, to assist them in establishing sound corporate governance systems and promote sound development of the securities market.

TWSE/TPEX listed companies are advised to formulate their own corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS).

#### **Article 2**

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, a TWSE/TPEX listed company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

#### **Article 3**

A TWSE/TPEX listed company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

A TWSE/TPEX listed company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. TWSE/TPEX listed companies are advised to establish channels and mechanisms of communication between their independent directors, audit committees or supervisors, and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.

The management of a TWSE/TPEX listed company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system. Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of a TWSE/TPEX listed company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

#### Article 3-1

(Personnel responsible for corporate governance affairs)

A TWSE/TPEX listed company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and supervisors
4. Furnishing information required for business execution by directors and supervisors
5. Assisting directors and supervisors with legal compliance
6. Other matters set out in the articles or corporation or contracts

### Chapter II Protection of Shareholders' Rights and Interests

#### Section 1 Encouraging Shareholders to Participate in Corporate Governance

##### Article 4

The corporate governance system of a TWSE/TPEX listed company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

A TWSE/TPEX listed company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

##### Article 5

A TWSE/TPEX listed company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive

rules for such meetings. TWSE/TPEX listed companies shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of TWSE/TPEX listed companies shall comply with laws, regulations and articles of incorporation.

#### Article 6

The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

#### Article 7

A TWSE/TPEX listed company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. A TWSE/TPEX listed company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

A TWSE/TPEX listed company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

TWSE/TPEX listed companies are advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

#### Article 8

A TWSE/TPEX listed company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or supervisors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

#### Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

#### Article 10

A TWSE/TPEX listed company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company. To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, a TWSE/TPEX listed company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of a TWSE/TPEX listed company become aware of the contents of the company's financial reports or relevant results.

#### Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting

plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee or supervisors, and managers of the TWSE/TPEX listed company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

## Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, a TWSE/TPEX listed company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When a TWSE/TPEX listed company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.

The relevant personnel of a TWSE/TPEX listed company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

## Article 13

In order to protect the interests of the shareholders, it is advisable that a TWSE/TPEX listed company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

A TWSE/TPEX listed company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that a TWSE/TPEX listed company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

## Section 2 Establishing a Mechanism for Interaction with Shareholders

### Article 13-1

(The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of a TWSE/TPEX listed company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

#### Article 13-2

(Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of a TWSE/TPEX listed company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

### Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

#### Article 14

A TWSE/TPEX listed company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

#### Article 15

Unless otherwise provided by the laws and regulations, a manager of a TWSE/TPEX listed company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

#### Article 16

A TWSE/TPEX listed company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

#### Article 17

When a TWSE/TPEX listed company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between a TWSE/TPEX listed company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

#### Article 18

A corporate shareholder having controlling power over a TWSE/TPEX listed company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

#### Article 19

A TWSE/TPEX listed company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

A TWSE/TPEX listed company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

### Chapter III Enhancing the Functions of the Board of Directors

#### Section 1 Structure of the Board of Directors

## Article 20

The board of directors of a TWSE/TPEX listed company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of a TWSE/TPEX listed company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
  2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
1. Ability to make operational judgments.
  2. Ability to perform accounting and financial analysis.
  3. Ability to conduct management administration.
  4. Ability to conduct crisis management.
  5. Knowledge of the industry.
  6. An international market perspective.
  7. Ability to lead.
  8. Ability to make policy decisions.

## Article 21

A TWSE/TPEX listed company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of a TWSE/TPEX listed company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a

special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of a TWSE/TPEX listed company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

#### Article 22

A TWSE/TPEX listed company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

#### Article 23

(The board of directors of a TWSE/TPEX company shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of a TWSE/TPEX listed company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

A TWSE/TPEX listed company with a functional committee shall clearly define the responsibilities and duties of the committee.

### Section 2 Independent Director System

#### Article 24

(A TWSE/TPEX listed company shall appoint independent directors in accordance with its articles of incorporation)

A TWSE/TPEX listed company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If a TWSE/TPEX listed company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent

director of the other, the TWSE/TPEX listed company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the TWSE/TPEX listed company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the TWSE/TPEX listed company, any foundation to which the TWSE/TPEX listed company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

#### Article 25

A TWSE/TPEX listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

#### Article 26

A TWSE/TPEX listed company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

A TWSE/TPEX listed company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of

the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

### Section 3 Functional Committees

#### Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of a TWSE/TPEX listed company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

#### Article 28

A TWSE/TPEX listed company shall establish either an audit committee or a supervisor.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

#### Article 28-1

A TWSE/TPEX listed company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

#### Article 28-2

(A TWSE/TPEX listed company is advised to establish a nomination committee)

A TWSE/TPEX listed company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson

#### Article 28-3

(A whistleblowing system)

A TWSE/TPEX listed company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

#### Article 29

To improve the quality of its financial reports, a TWSE/TPEX listed company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

A TWSE/TPEX listed company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

#### Article 30

It is advisable that a TWSE/TPEX listed company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the

company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

#### Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

##### Article 31

The board of directors of a TWSE/TPEX listed company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

A TWSE/TPEX listed company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

##### Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

##### Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of a TWSE/TPEX listed company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in

person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

#### Article 34

Staff personnel of a TWSE/TPEX listed company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

#### Article 35

A TWSE/TPEX listed company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

#### Article 36

A TWSE/TPEX listed company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

#### Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

#### Article 37

(Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that a TWSE/TPEX listed company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

- 1.The degree of participation in the company's operations.
- 2.Improvement in the quality of decision making by the board of directors.
- 3.The composition and structure of the board of directors.
- 4.The election of the directors and their continuing professional education.
- 5.Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

- 1.Their grasp of the company's goals and missions.
- 2.Their recognition of director's duties.
3. Their degree of participation in the company's operations.
- 4.Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that a TWSE/TPEX company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

A TWSE/TPEX listed company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

#### Article 37-1

It is advisable for a TWSE/TPEX listed company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

#### Article 37-2

(Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of a TWSE/TPEX company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

#### Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

#### Article 39

A TWSE/TPEX listed company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

A TWSE/TPEX listed company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

#### Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance

upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

## Chapter IV Empowering Supervisors

### Section 1 Functions of Supervisors

#### Article 41

A TWSE/TPEX listed company shall stipulate a fair, just, and open procedure for the election of supervisors, and shall adopt a cumulative voting mechanism pursuant to the Company Act to fully reflect the opinions of the shareholders.

A TWSE/TPEX listed company shall take into consideration the needs of overall business operations and comply with the rules of the TWSE or TPEX in setting the minimum number of supervisors.

The aggregate shareholding percentage of all of the supervisors of a TWSE/TPEX listed company shall comply with laws and regulations. Restrictions on share transfers by each supervisor and the creation, release, or changes in pledges of shares held by each supervisor shall comply with the relevant laws and regulations, and the relevant information shall be fully disclosed.

#### Article 42

(Specification in the articles of incorporation the adoption of the candidate nomination system for elections of supervisors)

A TWSE/TPEX listed company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of supervisors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

#### Article 43

Unless otherwise approved by the competent authority, at least one supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director.

A TWSE/TPEX listed company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable supervisor to enhance the risk management and financial and operational control of the company. A supervisor will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.

### Section 2 Powers and Obligations of Supervisors

#### Article 44

A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the company and the functions, duties, and operation of each department. A supervisor shall attend meetings of the board of directors to supervise their operations and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on. A TWSE/TPEX listed company shall stipulate the supervisor's remuneration in its articles of incorporation or by an approval in a shareholders meeting.

#### Article 45

A supervisor shall supervise the implementation of the operations of the company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the company, a supervisor shall act as the representative of the company. In the event that the company has set up an audit committee, an independent director member of the audit committee shall act as the representative of the company in the above situation.

#### Article 46

A supervisor may investigate the operational and financial conditions of the company from time to time, and the relevant departments in the company shall provide the books or documents that will be needed for the supervisor's review, transcription or duplication.

When reviewing the finance or operations of the company, a supervisor may retain attorneys or CPAs on behalf of the company to perform the review; however, the company shall inform the relevant persons of their confidentiality obligations.

The board of directors or managers shall submit reports in accordance with the request of the supervisors and shall not for any reason circumvent, obstruct, or refuse the inspection of the supervisor.

When a supervisor performs his/her duties, a TWSE/TPEX listed company shall provide necessary assistance as needed by the supervisor, and the reasonable expenses that the supervisor needs shall be borne by the company.

#### Article 47

For supervisors to timely discover any possible irregular conduct in the company, a TWSE/TPEX listed company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, a supervisor shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the supervisors shall investigate the reasons.

In the event that a supervisor neglects his/her duties and therefore causes harm to the company, the supervisor shall be liable to the company.

#### Article 48

When exercising his/her supervisory power, each supervisor of a TWSE/TPEX listed company may, after taking into consideration the overall interest of the company and shareholders, convene a meeting to exchange opinions among all the supervisors when he or she feels necessary, but in so doing may not obstruct supervisors in exercising their duties.

#### Article 49

A TWSE/TPEX listed company shall take out supervisors liability insurance with respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoing or negligence of a supervisor.

A TWSE/TPEX listed company is advised to report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for supervisors, at the next board meeting.

#### Article 50

Upon becoming supervisors and throughout their terms, supervisors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies covering subjects relating to corporate governance.

### Chapter V Respecting Stakeholders' Rights

#### Article 51

(A TWSE/TPEX listed company shall maintain communication with stakeholders and safeguard their rights and interests)

A TWSE/TPEX listed company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

#### Article 52

A TWSE/TPEX listed company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

#### Article 53

A TWSE/TPEX listed company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

#### Article 54

In developing its normal business and maximizing the shareholders' interest, a TWSE/TPEX listed company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

### Chapter VI Improving Information Transparency

#### Section 1 Enhancing Information Disclosure

#### Article 55

Disclosure of information is a major responsibility of a TWSE/TPEX listed company. A TWSE/TPEX listed company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

A TWSE/TPEX listed company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

A TWSE/TPEX listed company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

#### Article 56

In order to enhance the accuracy and timeliness of the material information disclosed, a TWSE/TPEX listed company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

A TWSE/TPEX listed company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, a TWSE/TPEX listed company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

#### Article 57

In order to keep shareholders and stakeholders fully informed, a TWSE/TPEX listed company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

#### Article 58

A TWSE/TPEX listed company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

### Section 2 Disclosure of Information on Corporate Governance

#### Article 59

A TWSE/TPEX listed company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules (disclosure of supervisors' information is not required if the company has an audit committee):

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).
3. Structure, professionalism and independence of the board of directors.
4. Responsibility of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee or supervisors.
6. Composition, duties and operation of the remuneration committee and other functional committees.
7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.
8. The progress of training of directors and supervisors.
9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.

11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.

12. Other information regarding corporate governance.

A TWSE/TPEX listed company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

## Chapter VII Supplementary Provisions

### Article 60

A TWSE/TPEX listed company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

## **Appendix IV Rules of Procedure of the Shareholders' Meeting (Before amendment)**

### **Article 1**

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### **Article 2**

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### **Article 3**

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

#### Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position

for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative

resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

##### (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11

##### (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

## Article 12

### (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a

shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 14

##### (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

#### Article 16

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18

(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

## Appendix V Shareholdings of Directors

### Shareholdings of all Directors of the Company

As of the closing date of the Annual Shareholders' Meeting (April 12, 2022), the number of shares held by the Directors of the Company in the register of shareholders is as follows:

| Position             | Name                                                               | Current holding of shares |                    |
|----------------------|--------------------------------------------------------------------|---------------------------|--------------------|
|                      |                                                                    | Number of shares          | Shareholding ratio |
| Director             | Shih, Jui-Pin                                                      | 1,049,751                 | 0.72%              |
| Vice Chairman        | Tsai, Cheng-Fu                                                     | 4,169,751                 | 2.86%              |
| Director             | Cheng, Li-Ping                                                     | 3,283,041                 | 2.26%              |
| Director             | Shi Li, Yu-Zhu<br>(Representative of Pearl Place Holdings Limited) | 27,145,738                | 18.65%             |
| Director             | Chen, Yen-Fu                                                       | 17,056                    | 0.01%              |
| Director             | Huang, Qing-Shu<br>(Representative of Gay Tat Company Limited)     | 2,439,589                 | 1.68%              |
| Independent Director | Chi, Lai-Ping                                                      | 0                         | 0.00%              |
| Independent Director | Cheng, Ming-Chang                                                  | 0                         | 0.00%              |
| Independent Director | Lin, Chih-Lung                                                     | 0                         | 0.00%              |

Note 1: As of the closing date of the Annual Shareholders' Meeting (April 12, 2022), the issued shares of the Company amounted to 145,544,496.

Note 2: The number of shares legally due to all Directors of the Company is 8,732,669. 38,104,926 shares held as of the closing date of the Annual Shareholders' Meeting (April 12, 2022).

Note 3: The number of shares held by Independent Directors is not included in the total number of shares held by all the Directors mentioned above.

Note 4: The Company has an Audit Committee, so there are no statutory number of shares to be held by the Supervisor.