

Tong Ming Enterprise Co., Ltd.
The 2021 Annual Meeting of Shareholders
Annual Meeting Agenda
(Translation)



TONG

Growing a powerful future



Meeting time :10 am on June 17, 2021

Meeting venue:No. 801, Chongde Road, Zuoying District, Kaohsiung
(The Garden Villa, Kaohsiung
International Plaza - Room 103)

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Tong Ming Enterprise Co., Ltd.

Procedure for the 2021 Annual Meeting of Shareholders

I. Meeting Procedures

1. Call the Meeting to Order
2. Chairman's Speech
3. Management Presentation (Company Reports)
4. Proposals
5. Discussions
6. Questions and Motions
7. Adjournment

Tong Ming Enterprise Co., Ltd.

The 2021 Annual Meeting of Shareholders

Agenda

II. Meeting Agenda

Time: 10am Thursday, June 17, 2021

Meeting venue: No. 801, Chongde Road, Zuoying District, Kaohsiung (The Garden Villa, Kaohsiung International Plaza - Room 103)

1. Call the Meeting to Order

2. Chairperson Speech

3. Company Reports

(1) 2020 Business report.

(2) The Audit Committee's Report of the Financial Report of 2020

(3) Distribution Report of Employees and Board Directors' Compensation of 2020

(4) Report on the Issuance of the First Domestic Unsecured Convertible Corporate Bonds

4. Proposals

(1) Approval of Business Report and Financial Statement of 2020

(2) Approval of Net Earning Distribution of 2020

5. Discussion

(1) Amendments of "Rules of Procedure for Shareholder Meeting"

(2) Amendments of "Rules of Board Directors' Election"

6. Questions and Motions

7. Adjournment

III. Report Items

Proposal 1: Please Check the Company's Annual Business Status Report of 2020.

Note: For the 2020 Business Report, please refer to Attachment 1 in this pamphlet.

Proposal 2: Please check the Audited Financial Reports of 2020.

Note: For the Audit Committee Report, please refer to Attachment 2 in this pamphlet.

Proposal 3: Please Check the Distribution Report of Employees and Board Directors' Compensation of 2020.

Note: The Company compensates its employees and Board Directors according to the Articles of Incorporation. For the Distribution Report of Employees and Board Directors' Compensation, please refer to Attachment 3 in this pamphlet.

Proposal 4: Report on the First Issuance of Domestic Unsecured Convertible Corporate Bonds

Note: In order for the Company to repay bank loans, the 10th Board meeting of the 5th year, hosted on May 10, 2018, has approved the issuance of the first domestic unsecured convertible corporate bonds. Its total issuance is NT400 million, and the maturity is 3 years, with a coupon rate of 0%. This issuance has been registered with Taipei Exchange, and has completed its OTC issuance on August 23, 2018.

IV. Proposals

Proposal 1: Please approve the Company's Annual Business Status Report and Financial Statements of 2020.

(The proposal was submitted by the board of directors.)

Note: (1) The Company's 2020 consolidated financial statements have been audited by independent auditors, Mr.Ming-Chung Hsieh and Ms.Lu I-Chen of Deloitte Taiwan, and along with the Business Report and Net Earning Distribution Report, have been audited by the Audit Committee.

(2) Regarding the Business Report, Accountant Audited Report and Consolidated Financial Statements, please refer to Appendix 1 and 4 in this pamphlet.

(3) The agenda has been proposed for acknowledgment.

Resolutions:

Proposal 2: Please approve the Net Earning Distribution Report of 2020. (The proposal was submitted by the board of directors.)

Note: (1) The net profit after tax of 2020 is NT493,557,332 After deducting 10% statutory surplus reserve of NT49,355,733 in accordance with the Articles of Incorporation, and after adding the provisions of special surplus reserve of NT47,544,440,combined with the undistributed surplus of NT639,223,482 at the beginning of the period, the total distributable surplus of this year is NT1,130,969,521 Every share is scheduled to receive NT1.8 of dividend, and the total amount is NT302,400,000 After the above distribution, the Company will have NT828,569,521of surplus. Please refer to Appendix 5 of the pamphlet.

- (2) The dividend is scheduled to be distributed on July 20, 2021.
- (3) Should the distribution proportion change because of the change of the number of normal shares, the Shareholder Committee will assign the Chairman to handle all related matters.
- (4) The agenda has been proposed for acknowledgment.

Resolutions:

V. Discussions

Proposal 1: Please discuss the revision of the Rules of Shareholder Meeting. (The proposal was submitted by the board of directors.)

Note: Regarding the change of the Rules of Shareholder Meeting, please refer to Appendix 6 in this pamphlet.

Resolutions:

Proposal 2: Please discuss the revision of the Rules of Board Directors' Election. (The proposal was submitted by the board of directors.)

Note: Regarding the change of the Rules of Board Directors' Election, please refer to Appendix 7 in this pamphlet.

Resolutions:

VI. Questions and Motions

VII. Adjournment

Attachment 1

The Annual Business Report of 2020

Tong Ming Enterprise Co.,Ltd. Business Report

I. Business Performance of 2020

1) Results of Business Operation

Although the Company's operations were delayed by the COVID-19 pandemic at the beginning of 2020, the resumption of operations was good, with consolidated revenue up 4% over 2019 to \$9.2 billion TWD and consolidated net income of \$495 million, up 6% over 2019. The following is a description of the results of operations of the major operating units in the consolidated financial statements:

I Tong Ming Enterprise Co.,Ltd. :

1. Total shipment volume continued to grow: The total annual shipment volume reached 91,000 tons, representing a 16% increase, due to the significant increase in demand after the resumption of work in various provinces in Mainland China since the second quarter.
2. Shipments by business segment: Domestic sales of fasteners combined with e-commerce, improved logistics efficiency and pricing strategy to respond quickly to market conditions, resulting in a shipment of 52,000 thousand tons, representing a 27% increase and accounting for 57% of total shipments. The export of fasteners was affected by the epidemic and the volume of shipments decreased by 4%, accounting for 14,000 thousand tons of shipments. The volume of wire products shipped increased by 10% due to the increase in customer stocking after the resumption of production, and the annual shipment volume was about 25,000 thousand tons.

II. Winlink Fasteners Co., Ltd. and Tong Win International Co., Ltd. are mainly engaged in international trading business, and its total revenue decreased by 15% due to the pandemic this year.

2) Profitability Analysis

Item	2020	2019
Return on Assets (%)	7.16	7.67
Return on Equity (%)	12.29	12.06
Net Profit Rate (%)	5.40	5.38
Earnings per share (TWD\$)	2.94	2.77

The return on assets decreased slightly due to the higher average asset balance, while other ratios increased due to the increase in profitability.

3) Research on Products and Service Development:

As a professional manufacturer of stainless steel fasteners, the company has been improving its production process and developing new products in a steady and progressive manner. The Channel Division, which was established by integrating various departments, has been effective in improving shipment efficiency and expanding the range of value-added services on the e-commerce platform to enhance customer satisfaction.

4) Environmental protection and labor health and safety conditions

Our main business unit, Zhejiang Tong Ming Plant, has obtained ISO14001 and OHSAS18001 certifications, and the occupational safety of our employees is good throughout the year. In order to improve production capacity and reduce emissions, the Company has adopted electrostatic waste gas recovery equipment and a new type of sewage treatment plant, which are operating well.

2. Outline of Business Plan of 2021

1) Main business unit- Tong Ming Enterprise Co.,Ltd.

The domestic sales volume increased significantly in 2020 and the export market also showed a growth trend. In order to meet the long-term development needs, the operating entity signed an investment agreement with Jiaxing Economic Development Zone in Zhejiang Province in December 2010 to establish a new-style production base to cater for future business growth.

The plans for R.O.C. 110 are as follows:

1、In domestic sales of fasteners:

Sales strategy: Based on the Tong Ming Express e-commerce platform, we will continue to expand value-added services and improve product offerings to further increase service differentiation, so that customers can focus more on product sales and operators can increase overall sales volume and market share, creating a win-win partnership.

In the channel development: In response to the growth of domestic sales and to improve shipment efficiency, we will set up an automated warehouse sorting system and upgrade the warehouse management system to enhance customer satisfaction.

2、On exporting sales of fasteners:

In the first half of 2020, the export business was greatly affected by the new pneumonia epidemic, but in the second half of the year, the order intake has normalized and is growing.

3、On the wire products:

The wire products are combined with the e-commerce platform to provide customers with timely inventory inquiries, and are being used well, resulting in an increase in customer stocking. In 2021, we will upgrade our production facilities to improve our production capacity and efficiency.

2) Subsidiary Winlink Fasteners Co., Ltd. and **Tong Win** :

The company is mainly engaged in the export of fastening products. Due to the trend of expanding demand in major overseas markets, the company continues to strengthen partnerships with customers in specific industries to maintain its market share and stable growth as the main axis.

Although the epidemic has not yet subsided in 2021, the global developed countries have been promoting economic revitalization programs and the overseas market demand has grown significantly.

Wish you all the best,

Tong Ming Co., Ltd.

Best regards

Chairman: Tsai Ching-Tung

General Manager: Tsai Hung-Chuan

Tong Ming Enterprise Co.,Ltd.
Audit Committee' Review Report

Approved

The Board of Directors has submitted the Company's 2020 Annual Business Report and Consolidated Financial Statements. The Consolidated Financial Statements have been audited by Certified Public Accountants Ming-Chung Hsieh and I-Chen Lu of Deloitte Taiwan, and an audit report has been issued. Please check the fact that the list the Board of Directors has submitted has been verified by the Audit Committee, and is considered to be consistent with Article 14(4) of the Securities and Exchange Act and Article 219 of the Company Act.

To:
2021 Annual General Meeting

Convener of the Audit Committee: Ko Yung-Hsiang

March 16, 2021

Attachment 3

Remuneration to the employees and the directors distribution statement

Tong Ming Enterprise Co.,Ltd.

Remuneration to the employees and the directors distribution statement

1. In accordance with the Articles of Incorporation, if there is any profit at the end of the fiscal year, 0.000 to 0.001 shall be allocated to employees' compensation, and no more than 5% of the aforementioned profit shall be allocated to Directors' compensation.
2. The profit of this fiscal year is NT493,557,332
3. In accordance with the Articles of Incorporation, the profit allocated to employees this fiscal year is 0.
4. In accordance with the Articles of Incorporation, the profit allocated to Directors this fiscal year is NT840,000, which is about 1.7% of the profit of this fiscal year.

Attachment 4
INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Tong Ming Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Tong Ming Enterprise Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in 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. We are independent of the Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

The Occurrence of Transactions with Some Major Customers

The Group's sales revenue for the year ended December 31, 2020 was \$9,171,338 thousand. Due to the materiality and significant risks in revenue recognition, we identified the occurrence of sales revenue from major customers that meet specific standards to be a key audit matter. Refer to Note 4 to the consolidated financial statements for details on revenue recognition.

The main audit procedures that we performed in respect of revenue recognition included the following:

1. We obtained an understanding and tested the design and operating effectiveness of the key controls over the occurrence of revenue recognition.
2. We sampled the list of major customers, confirmed the related traded documents such as shipments to confirm the occurrence of revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Chung Hsieh and I-Chen Lu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have 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-language independent auditors' report and consolidated financial statements shall prevail.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,945,704	22	\$ 1,179,624	16
Financial assets at fair value through profit or loss - current (Notes 7 and 28)	262,798	3	254,239	4
Financial assets at amortized cost - current (Note 8)	154,142	2	99,605	1
Notes receivable, net (Notes 9 and 28)	348,340	4	312,201	4
Accounts receivable, net (Notes 9, 22 and 28)	1,648,974	19	1,471,299	20
Other receivables (Note 28)	25,044	-	4,487	-
Inventories (Notes 5 and 10)	2,991,969	34	2,638,591	36
Prepayments to suppliers (Note 15)	161,961	2	98,350	1
Prepayments (Notes 15 and 28)	39,715	-	29,607	1
Total current assets	<u>7,578,647</u>	<u>86</u>	<u>6,088,003</u>	<u>83</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 12)	27,554	-	29,682	-
Property, plant and equipment (Note 13)	1,052,947	12	1,004,208	14
Right-of-use assets (Note 14)	71,062	1	43,304	1
Other intangible assets	38,295	-	35,360	1
Deferred tax assets (Note 23)	27,337	-	26,915	-
Prepayments for equipment	51,693	1	96,796	1
Refundable deposits	6,139	-	3,338	-
Other non-current assets	1,754	-	1,792	-
Total non-current assets	<u>1,276,781</u>	<u>14</u>	<u>1,241,395</u>	<u>17</u>
TOTAL	<u>\$ 8,855,428</u>	<u>100</u>	<u>\$ 7,329,398</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 2,199,443	25	\$ 1,880,038	26
Financial liabilities at fair value through profit or loss - current (Notes 7 and 27)	8,240	-	40	-
Contract liabilities - current (Notes 19 and 21)	71,122	1	44,818	1
Notes payable	19,155	-	18,630	-
Accounts payable (Notes 18 and 28)	257,337	3	380,337	5
Other payables (Note 19)	254,971	3	236,463	3
Current tax liabilities (Note 23)	38,230	-	10,243	-
Lease liabilities - current (Note 14)	12,983	-	9,874	-
Current portion of bonds payable (Note 17)	398,061	5	-	-
Current portion of long-term borrowings (Note 16)	119,055	1	-	-
Other current liabilities	262	-	232	-
Total current liabilities	<u>3,378,859</u>	<u>38</u>	<u>2,580,675</u>	<u>35</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	-	-	394,858	5
Long-term borrowings (Note 16)	1,062,736	12	266,049	4
Deferred tax liabilities (Note 23)	211,075	3	199,694	3
Lease liabilities - non-current (Note 14)	25,647	-	2,146	-
Total non-current liabilities	<u>1,299,458</u>	<u>15</u>	<u>862,747</u>	<u>12</u>
Total liabilities	<u>4,678,317</u>	<u>53</u>	<u>3,443,422</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital	1,680,000	19	1,680,000	23
Capital surplus	916,905	11	916,905	13
Retained earnings				
Legal reserve	384,779	4	338,169	4
Special reserve	282,190	3	147,118	2
Unappropriated earnings	1,132,782	13	1,072,906	15
Total retained earnings	1,799,751	20	1,558,193	21
Exchange differences on translation of the financial statements of foreign operations	(234,646)	(3)	(282,190)	(4)
Total equity attributable to owners of the Company	4,162,010	47	3,872,908	53
NON-CONTROLLING INTERESTS	15,101	-	13,068	-
Total equity	<u>4,177,111</u>	<u>47</u>	<u>3,885,976</u>	<u>53</u>
TOTAL	<u>\$ 8,855,428</u>	<u>100</u>	<u>\$ 7,329,398</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 21, 28 and 34)	\$ 9,171,338	100	\$ 8,807,059	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 22 and 28)	<u>(7,898,297)</u>	<u>(86)</u>	<u>(7,585,139)</u>	<u>(86)</u>
GROSS PROFIT	<u>1,273,041</u>	<u>14</u>	<u>1,221,920</u>	<u>14</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(384,379)	(4)	(369,158)	(4)
General and administrative expenses	(167,022)	(2)	(180,359)	(2)
Research and development expenses	(27,256)	(1)	(31,589)	-
Expected credit loss	<u>(1,301)</u>	<u>-</u>	<u>13,485</u>	<u>-</u>
Total operating expenses	<u>(579,958)</u>	<u>(7)</u>	<u>(567,621)</u>	<u>(6)</u>
PROFIT FROM OPERATIONS	<u>693,083</u>	<u>7</u>	<u>654,299</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	6,239	-	7,390	-
Other income	23,771	-	15,859	-
Other gains and losses	(29,814)	-	24,031	-
Finance costs	(99,982)	(1)	(118,367)	(1)
Share of profit of associates and joint ventures	<u>(2,698)</u>	<u>-</u>	<u>5,263</u>	<u>-</u>
Total non-operating income and expenses	<u>(102,484)</u>	<u>(1)</u>	<u>(65,824)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	590,599	6	588,475	7
INCOME TAX EXPENSE (Note 23)	<u>(95,775)</u>	<u>(1)</u>	<u>(120,971)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>494,824</u>	<u>5</u>	<u>467,504</u>	<u>5</u>

(Continued)

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	\$ 31,426	1	\$ (142,459)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>16,321</u>	<u>-</u>	<u>6,845</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>47,747</u>	<u>1</u>	<u>(135,614)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 542,571</u>	<u>6</u>	<u>\$ 331,890</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 493,558	5	\$ 466,098	5
Non-controlling interests	<u>1,266</u>	<u>-</u>	<u>1,406</u>	<u>-</u>
	<u>\$ 494,824</u>	<u>5</u>	<u>\$ 467,504</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 541,102	6	\$ 331,026	4
Non-controlling interests	<u>1,469</u>	<u>-</u>	<u>864</u>	<u>-</u>
	<u>\$ 542,571</u>	<u>6</u>	<u>\$ 331,890</u>	<u>4</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.94</u>		<u>\$ 2.77</u>	
Diluted	<u>\$ 2.81</u>		<u>\$ 2.67</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company									
	Share Capital		Retained Earnings			Unappropriated Earnings		Other Equity		Non-controlling Interests
Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Operations	Exchange Differences on Translation of the Financial Statements of	Total		
BALANCE AT JANUARY 1, 2019	168,000	\$ 1,680,000	\$ 916,905	\$ 284,582	\$ 80,869	\$ 1,062,644	\$ (147,118)	\$ 3,877,882	\$ 13,496	\$ 3,891,378
Appropriation of 2018 earnings	-	-	-	53,587	-	(53,587)	-	-	-	-
Legal reserve	-	-	-	-	66,249	(66,249)	-	-	-	-
Special reserve	-	-	-	-	-	(336,000)	-	(336,000)	-	(336,000)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(1,292)	(1,292)
Net profit for the year ended December 31, 2019	-	-	-	-	-	466,098	-	466,098	1,406	467,504
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	(135,072)	(135,072)	(542)	(135,614)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	466,098	(135,072)	331,026	864	331,890
BALANCE AT DECEMBER 31, 2019	168,000	1,680,000	916,905	338,169	147,118	1,072,906	(282,190)	3,872,908	13,068	3,885,976
Appropriation of 2019 earnings	-	-	-	46,610	-	(46,610)	-	-	-	-
Legal reserve	-	-	-	-	135,072	(135,072)	-	-	-	-
Special reserve	-	-	-	-	-	(252,000)	-	(252,000)	-	(252,000)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	564	564
Net profit for the year ended December 31, 2020	-	-	-	-	-	493,558	-	493,558	1,266	494,824
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	47,544	47,544	203	47,747
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	493,558	47,544	541,102	1,469	542,571
BALANCE AT DECEMBER 31, 2020	168,000	\$ 1,680,000	\$ 916,905	\$ 384,779	\$ 282,190	\$ 1,132,782	\$ (234,646)	\$ 4,162,010	\$ 15,101	\$ 4,177,111

The accompanying notes are an integral part of the consolidated financial statements.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 590,599	\$ 588,475
Adjustments for:		
Depreciation expenses	161,118	143,458
Amortization expenses	4,628	3,548
Expected credit loss (gain) recognized on accounts receivable	1,301	(13,485)
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(21,897)	(49,759)
Interest expense	99,982	118,367
Interest income	(6,239)	(7,390)
Dividend income	(743)	(3,224)
Share of profit of associates and joint ventures	2,698	(5,263)
Loss on disposal of property, plant and equipment	3,557	10,826
Gain on lease modification	(103)	-
Write-downs of inventories	7,457	-
Changes in operating assets and liabilities		
Notes receivable	(37,321)	(44,203)
Accounts receivable	(177,962)	(103,592)
Other receivables	(21,119)	2,219
Inventories	(360,835)	212,491
Prepayments	(73,719)	3,918
Contract liabilities	26,304	(35,413)
Notes payable	525	(11,576)
Accounts payable	(123,000)	49,071
Other payables	21,586	(14,511)
Other current liabilities	30	(91)
Cash generated from operations	96,847	843,866
Income tax paid	(91,683)	(142,600)
Net cash generated from operating activities	<u>5,164</u>	<u>701,266</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(54,537)	(79,510)
Purchase of financial assets at fair value through profit or loss	(2,269,710)	(1,873,159)
Proceeds from sale of financial assets at fair value through profit or loss	2,291,008	1,947,847
Payments for property, plant and equipment	(117,192)	(125,892)
Proceeds from disposal of property, plant and equipment	788	4,592
Increase in refundable deposits	(2,801)	(2,734)
Payments for intangible assets	(6,846)	(17,174)
Decrease in other non-current assets	38	286
Increase in prepayments for equipment	(20,815)	(28,998)
Interest received	6,801	6,819
Dividends received from associates	743	3,224
Net cash used in investing activities	<u>(172,523)</u>	<u>(164,699)</u>

(Continued)

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 319,405	\$ -
Repayments of short-term borrowings	-	(577,550)
Proceeds from long-term borrowings	915,742	266,049
Repayment of the principal portion of lease liabilities	(18,827)	(13,072)
Dividends paid to owners of the Company	(252,000)	(336,000)
Interest paid	(95,578)	(112,340)
Dividends paid to non-controlling interests	<u>564</u>	<u>(1,292)</u>
Net cash generated from (used in) financing activities	<u>869,306</u>	<u>(774,205)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>64,133</u>	<u>(72,114)</u>
NET INCREASE IN (DECREASE) CASH AND CASH EQUIVALENTS	766,080	(309,752)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,179,624</u>	<u>1,489,376</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,945,704</u>	<u>\$ 1,179,624</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Attachment 5

Statement of earnings distribution in 2020

Tong Ming Enterprise Co.,Ltd.
The 2019 Statement of Retained Earnings

<u>Item</u>	Unit: NTD <u>Amount</u>
Opening undistributed earnings	\$ 639,223,482
Add: Net income	493,557,332
Add: transfer of special reserve	47,544,440
Less: Reference to statutory surplus	-49,355,733
Current distributable earnings	<u>1,130,969,521</u>
Less: Distribution	
Shareholder dividends – cash (NTD1.8 per share)	-302,400,000
Closing undistributed earnings	<u><u>\$ 828,569,521</u></u>

Chairman: Tsai Ching-Tung Manager: Tsai Hung-Chuan Head of Accountant: Yen Hsien-Ying

Explanation:

1. In accordance with the Articles of Incorporation, if there is a surplus at the end of the fiscal year, the surplus shall first pay tax and make up for the previous losses, and then reserves for the statutory surplus reserve and special surplus reserve.
2. The reversal of special reserve represents the conversion difference resulting from the translation of the financial statements of foreign operating companies.
3. Shareholder Dividend – cash: NT302,400,000 (NT1.8 x 168,000,000 shares)

Attachment 6

The Comparison Table of “Rules of Procedure for Shareholders Meetings”

Tong Ming Enterprise Co.,Ltd.

The Comparison Table of “Rules of Procedure for Shareholders Meetings”

Date of amendment: March 03, 2021

Amendments	Current Articles	Descriptions
<p>4.7 The chairperson 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.</p> <p>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.</p>	<p>4.7 The chairperson shall call the meeting to order at the appointed meeting time. 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.</p>	<p>Amendments are made in accordance with the actual operation of the Company.</p>
<p>4.8.5 Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, Article 19-1(1) of the Company's Articles of Incorporation provided for the compulsory repurchase of the Company's shares and the cancellation, 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</p>	<p>4.8.5 Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, Article 19-1(1) of the Company's Articles of Incorporation provided for the compulsory repurchase of the Company's shares and the cancellation, 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</p>	

Amendments	Current Articles	Descriptions
<p>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.</p> <p>4.12.1 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and</p>	<p>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.</p> <p>None of the above matters may be raised by an extraordinary motion.</p> <p>The main content of the meeting may be placed on the website designated by the securities authority or the Company, and the website address shall be included in the notice of convening.</p> <p>The convening of the shareholders' meeting has been set forth in the cause of general re-election of directors and the date of their assumption of office.</p> <p>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.</p> <p>4.12.1 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately.</p>	

Amendments	Current Articles	Descriptions
supervisors and the numbers of votes with which they were elected, <u>and the names of directors and supervisors not elected and number of votes they received.</u>		

Attachment 7

The Comparison table of the “Rules of Board Directors’ Election”

Tong Ming Enterprise Co.,Ltd.

The Comparison table of the “Rules of Board Directors’ Election”

Date of amendment: March 03, 2021

Amendments	Current Articles	Descriptions
4.1 During the listing period, Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.	4.1 <u>During the listing period, Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Except as otherwise provided by law, the Company shall not arbitrarily require the documents of qualifications and shall announce the list of candidates for directorship, their academic qualifications and experience. The shareholders shall elect the candidates for directorship.</u>	Amendments are made in accordance with the actual operation of the Company.
4.8.1 The ballot was not prepared by a person with the right to convene.	4.8.1 The ballot was not prepared by a person with the right to these rules.	
4.8.4 The candidate whose name is entered in the ballot does not conform to the director candidate list.	4.8.4 The candidate, if he/she is a shareholder, whose account name, shareholder account number and shareholder register entered in the ballot does not conform to the director candidate list. The candidate, if he/she is not a shareholder, whose name and ID number does not conform to the director candidate list.	
4.8.5 Other words or marks are entered in addition to the number of voting rights allotted.	4.8.5 Other words or marks are entered in addition to the name (account name), the shareholder’s account number (ID number) and the number of voting rights allotted.	

Amendments	Current Articles	Descriptions
4.8.6 This item is deleted.	4.8.6 The name of the candidate is the same as that of other shareholders without the shareholder's account number or ID number for identification purposes.	

Appendix 1

“The Company's Articles of Incorporation”

TONG MING ENTERPRISE CO., LTD.

(as adopted by a Special Resolution passed on June 15, 2020)

1. The name of the company is **Tong Ming Enterprise Co., Ltd.**
2. The Registered Office of the Company shall be at the offices of McGrath Tonner Corporate Services Limited at Genesis Building, 5th Floor, Genesis Close, P.O. Box 446, Cayman Islands, KY1-1106 or at such other place within the Cayman Islands as the Board may from time to time decide.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted, and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2020 Revision).
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (2020 Revision).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Law (Revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (Revised) or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (Revised).
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
9. The share capital of the Company is **NT\$2,500,000,000** divided into **250,000,000** ordinary shares of a par value of **NT\$10** each with power for the Company, subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association, to redeem any of its shares and to increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.

10. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
11. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.

THE COMPANIES LAW (2020 REVISION)
COMPANY LIMITED BY SHARES

TENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

TONG MING ENTERPRISE CO., LTD.

(as adopted by a Special Resolution passed on June 15, 2020)

INTERPRETATION

The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2020 Revision) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) shall not apply to this Company.

- (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules	the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Business Mergers And Acquisitions Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area of the R.O.C., and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Emerging Market, the TPEX and the TWSE (where applicable);
Articles	these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;
Auditors	the Auditors (if any) for the time being of the Company;
Board	the board of Directors of the Company comprising all the Directors;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 63;

Class or Classes	any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;
Commission	the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	TONG MING ENTERPRISE CO., LTD.;
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them (including any and all Independent Director(s));
Discount Transfer	has the meaning set out in Article 20(3);
electronic	shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;
Emerging Market	the emerging market board of the TPEX in Taiwan;
Employees	employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and “Employee” shall mean any one of them;
Financial Statements	has the meaning set out in Article 95;
Independent Directors	those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules, and “Independent Director” means any one of them;
Juristic Person	a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting

the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;

Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of them;
Memorandum	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Month	a calendar month;
NT\$ or NTD	New Taiwan Dollars;
Ordinary Resolution	a resolution:- (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives); or (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Private Placement	an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to

	the Applicable Listing Rules;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first become registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C., to the Company;

signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 86;
Special Resolution	<p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives); or</p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</p> <p>A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;</p>
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;
Statutory Reserve	a reserve set aside in an amount equal to ten percent (10%) of the total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by the Company under the Applicable Listing Rules;
Subordinate Company	any company (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by

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

TDCC	the Taiwan Depository & Clearing Corporation;
TPEx	the Taipei Exchange, originally named as GreTai Securities Market (GTSM), in Taiwan;
Treasury Shares	Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased, in accordance with the Law; and
TWSE	the Taiwan Stock Exchange Corporation.

(2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.

(3) In these Articles unless the context otherwise requires:

words importing the singular number shall include the plural number and vice-versa;

words importing the masculine gender shall include the feminine gender and neuter genders;

a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and

"may" shall be construed as permissive and "shall" shall be construed as imperative.

(4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

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

(a) offer, issue and allot of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and the Applicable Listing Rules; and

Preferred Shares	has the meaning given thereto in Article 4;
Private Placement	an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first become registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C., to the Company;

signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 86;
Special Resolution	<p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives); or</p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</p>

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

Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;
Statutory Reserve	a reserve set aside in an amount equal to ten percent (10%) of the total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by the Company under the Applicable Listing Rules;

Subordinate Company	any company (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (iii) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	the Taipei Exchange, originally named as GreTai Securities Market (GTSM), in Taiwan;
Treasury Shares	Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased, in accordance with the Law; and
TWSE	the Taiwan Stock Exchange Corporation.

(2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.

(3) In these Articles unless the context otherwise requires:

words importing the singular number shall include the plural number and vice-versa;

words importing the masculine gender shall include the feminine gender and neuter genders;

a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and

"may" shall be construed as permissive and "shall" shall be construed as imperative.

(4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

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

- (a) offer, issue and allot of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and the Applicable Listing Rules; and

- (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.

Subject to Article 5 and the sufficiency of the authorised share capital of the Company, the Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.

- (1) Where the Company is to issue Preferred Shares, the following shall be expressly set out in these Articles:
 - (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
 - (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distributions on such Preferred Shares;
 - (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
 - (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
 - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
 - (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.

Subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.

- (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall, in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date the Board resolves to issue Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.

- (2) When the total number of Shares in every issuance has been subscribed to in full, the Company shall immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.
- (3) The Company shall not issue bearer Shares.
- (4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.
- (5) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.

During the Relevant Period:

- (a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and
- (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to Subparagraph (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the Emerging Market, the TPEX and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.

During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to Article 8, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:

- (a) where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;

- (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
 - (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.
- (1) Subparagraph (a) of Article 8 and Article 9 shall not apply whenever the new Shares are issued due to the following reasons:
- (a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company save as otherwise provided by these Articles;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;
 - (c) in connection with distribution of the Employees' compensation;
 - (d) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
 - (e) in connection with meeting the Company's obligation under Share subscription warrant or Preferred Shares vested with rights to acquire Shares; or
 - (f) in connection with issuance of new Shares to the existing Members by capitalisation of the Company's reserves in accordance with these Articles.
- (2) Article 8 and Article 9 shall not apply to any of the following circumstances:
- (a) the Company, as the surviving company, issues new Shares for a Merger, or the Company issues new shares for the Merger between its subsidiary and other companies;
 - (b) all new Shares are issued as consideration for being acquired by the other company with the intention of takeover;
 - (c) all new Shares are issued as consideration for the acquisition of issued shares, business, or assets of other companies;
 - (d) new Shares are issued for the share exchange entered into by the Company,
 - (e) new Shares are issued for a Spin-off effected by the transferor company;
 - (f) new Shares are issued in connection with any Private Placement conducted pursuant to Article 11-2(1); or
 - (g) new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.
- (3) New Shares issued for any of the circumstances in the preceding paragraph may be paid up in cash or assets as required for the business of the Company.

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

11-1. The Company may, subject to approval of Shareholders by way of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies, provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.

11-2. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement of equity-type securities with any of the following Persons in the R.O.C.:

- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;
- (b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or
- (c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.

(2) A Private Placement of ordinary corporate bonds may be carried out by the Company in installments within one year of the date of the resolution of the Board.

The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules.

During the Relevant Period, any issuance, conversion or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds), capitalisation and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C.

MODIFICATION OF RIGHTS

Whenever the share capital of the Company is divided into different Classes of Shares, including where Preferred Shares are issued, subject to Article 41 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.

The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C. The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company's Shareholder Service Agent provide a copy of the Register for inspection.

Notwithstanding anything contained in these Articles and subject to the Law, during the Relevant Period, the relevant information of the Members shall be recorded by TDCC, and the Company shall recognize each person identified in the records provided by TDCC to the Company as a Member and such records shall form part of the Register as at the date of receipt of such records by the Company.

REDEMPTION AND REPURCHASE OF SHARES

All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.

- (1) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, for cancellation, upon such terms and manner and subject to such conditions as the Board thinks fit, and such Shares shall be treated as cancelled immediately on purchase.
- (2) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, to be held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit, PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Law.
- (3) During the Relevant Period, the resolutions of Board approving a purchase of Shares, how such resolutions are implemented, and the failure of any purchase of Shares as approved by such resolutions (if any) shall be reported to the Shareholders at the next general meeting.
- (4) Subject to the Law, for so long as the Company holds Treasury Shares:
 - (a) the Company shall be entered in the Register as holding the Treasury Shares;
 - (b) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and

- (d) no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.
- (5) During the Relevant Period, subject to the Law, except purchases of Shares carried out pursuant to Article 19-1(1), the number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares.
- 19-1. (1) Subject to the Law and the Applicable Listing Rules, the Company may carry out a compulsorily purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Any purchase price to be paid in kind shall be subject to approval by a Special Resolution and shall be subject to individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.
- (2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding paragraph.
- (1) Where the Company holds Treasury Shares, the Company may, in accordance with the Law:
- (a) cancel any or all of the Treasury Shares; or
 - (b) transfer any or all of the Treasury Shares to the Employees, the terms of such transfer and qualifications of such employees shall be determined by the Board, subject to Paragraph (3) of this Article. The Board may impose a lock-up period restricting the transfer of any Treasury Shares transferred to the employees pursuant to this Paragraph (1) for a term of up to two (2) years.
- (2) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
- (3) Subject to Paragraph (4) of this Article and the Law, the Company may, by way of a Special Resolution passed at the immediate preceding general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the “**Discount Transfer**”), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:
- (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;

- (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
 - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
 - (d) matters that the Board is of the opinion that may affect Shareholders' rights, including:
 - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
 - (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (4) The total aggregate amount of the Treasury Shares that are transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (3) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and the aggregate amount of the Treasury Shares transferred to each Employee shall not exceed point five percent (0.5%) of the total number of issued and outstanding Shares of the Company.

TRANSFER AND TRANSMISSION OF SHARES

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

The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers may be suspended when the Register is closed in accordance with Article 24.

NON-RECOGNITION OF TRUSTS

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

CLOSING REGISTER OR FIXING RECORD DATE

- (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy or by way of electronic transmission; and (c) any other purposes as determined by the Board.

In the event the Board designates the record date(s) for (b) in accordance with this Article, such record date(s) shall be date(s) prior to the general meeting.

- (2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers (the “**Book Closure Period**”) at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the Book Closure Period, the respective convening date of the general meeting or the relevant target date shall be included.

GENERAL MEETINGS

The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year or such other period as may be permitted by the Emerging Market, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board.

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

During the Relevant Period, all general meetings shall be held in the R.O.C.. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.

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

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- (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.

- (3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.

During the Relevant Period, the Company shall engage a Shareholder Service Agent within the R.O.C. to handle the administration of general meetings, including but not limited to, the voting matters.

NOTICE OF GENERAL MEETING

- (1) During the Relevant Period, at least thirty (30) days notice of an annual general meeting and fifteen (15) days notice of an extraordinary general meeting shall be given to each Member, and the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.
- (2) At any time other than the Relevant Period, at least five (5) days notice in writing shall be given of an annual general meeting or any other general meeting PROVIDED HOWEVER that notice may be waived by all the Member either at or before the meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by telex or telefax. At any time other than the Relevant Period, a general meeting may be convened by such shorter notice or without notice with the consent of a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the Shares giving that right.

- 30-1. (1) During the Relevant Period, the Company shall make public announcements with regard to notice of general meeting, proxy form, summary information and details about items to be proposed at the meeting for approval, discussion, election or dismissal of Directors at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.
- (2) During the Relevant Period, if the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 51, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.

The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:

(a) any election or removal of Director(s);

(b) any alteration of the Memorandum and/or these Articles;

© any capital reduction or compulsory purchase and cancellation of Shares pursuant to Article 19-1(1);

(d) applying for the approval of ceasing the status as a public company;

(e) any dissolution, voluntary winding-up, Merger, Consolidation, share exchange or Spin-off of the Company;

- (f) entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
- (g) the transfer of the whole or any material part of the Company's business or assets;
- (h) the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
- (i) carrying out a Private Placement of any equity-type securities;
- (j) granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
- (k) distributing dividends, bonus or other distributions in whole or in part by way of issuance of new Shares; and
- (l) capitalisation of the Company's Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.

During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Marke, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.

The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

PROCEEDINGS AT GENERAL MEETINGS

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.

- (1) One or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting.
- (2) Prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

- (4) The Board shall include a proposal submitted by Member(s) unless:
 - (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
 - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company;
 - (c) the proposal contains more than one matter;
 - (d) the proposal contains more than three hundred (300) words; or
 - (e) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.
- (5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.
- (6) The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.

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

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

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

At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.

Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.

- (1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:

- (a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
- (b) transfer the whole or any material part of its business or assets;
- (c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
- (d) distribute dividends, bonus or other distributions in whole or in part by way of issuance of new Shares;
- (e) effect any Spin-off of the Company;
- (f) enter into any share exchange;
- (g) authorise a plan of Merger or Consolidation involving the Company;
- (h) resolve that the Company be wound up voluntarily;
- (i) carry out Private Placement;
- (j) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
- (k) change its name;
- (l) change the currency denomination of its share capital;
- (m) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
- (n) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
- (o) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
- (p) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
- (q) subject to these Articles (including without limitation Articles 14 and 15), alter or amend the Memorandum or these Articles, in whole or in part;
- (r) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
- (s) appoint an inspector to examine the affairs of the Company under the Law;
- (t) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 11-1;
- (u) subject to these Articles, capitalisation or distribution of the Statutory Reserve of the Company, the Share Premium Account of the Company and/or the Capital Reserve from endowments received

by of the Company by issuing new Shares or paying in cash to its existing Member in proportion to the number of Shares being held by each of them; and

(V)apply for an approval of ceasing its status as a public company.

- (2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share exchange or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.

Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.

- (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 41(1) is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 41(1) and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) Subject to the compliance with the Law, in the event that the Company resolves to carry out any Spin-Off, Consolidation or Merger , acquisition or share exchange (collectively, the "**Merger and Acquisition**"), a Member expressing his dissent in accordance with the Applicable Listing Rules may request the Company to purchase all of his Shares at the then prevailing fair price.
- (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraph(2) of this Article fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition against all Members who fail to reach such an agreement (collectively, the "**Dissenting Members**") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taiwan Taipei District Court of the R.O.C.as the court of first instance
- (4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 41 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.

- (5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.

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

Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

VOTES OF MEMBERS

Subject to any rights and restrictions as to voting for the time being attached to any Share by or in accordance with these Articles, at any general meeting, every Member present in person (or in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.

In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers and the vote cast by such representative, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members.

48-1. A Shareholder who holds Shares for the benefit of others need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of share he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other requirements for separate votes shall be in compliance with the Applicable Listing Rules.

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

- (1) Subject to the Law and the Applicable Listing Rules, shares held by the following persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members belonging to the following persons shall abstain from voting in respect of all Shares held by them:
- (a) the Company itself (if such holding is permitted by the Law);

- (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; or
 - (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
- (2) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Member(s) shall not be counted in determining the number of votes for or against such matter.
 - (3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director (the "Charged Shares") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting nor quorum at such general meeting.
- (1) To the extent permitted by the Law and subject to the Applicable Listing Rules, the Board may resolve that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission; 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. Notwithstanding the foregoing, where the Company conform to the Applicable Scope of Listing Companies to Conduct Electronic Voting announced by the competent authority in the R.O.C., the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member.
 - (2) 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.
 - (3) 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.

Subject to Article 56, in case a Member who has cast his votes by a written ballot or by way of electronic transmission intends to attend the relevant general meeting in person, he shall, at least two (2) day prior to the date of the general meeting, revoke such votes by serving a notice in the same manner as he cast such votes. In the absence of a timely revocation of such votes, such votes shall prevail.

PROXY

- (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
- (2) Subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the signature requirements, (c) the matters to be voted upon pursuant to such proxy and basic identification information of the Member as appointor, the proxy solicitor (if any) and the proxy, and shall be sent out together with the notice of general meeting to all Members on the same day.

A Member may only appoint one proxy for each general meeting irrespective of how many shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.

In case a Member who has served a proxy intends to attend the relevant general meeting in person, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a written notice to the Company or Shareholder Service Agent; otherwise, the votes cast by the proxy at the general meeting shall prevail.

In case a Member has cast his votes by a written ballot or by way of electronic transmission pursuant to Article 51, and has also authorized a proxy to attend the relevant general meeting on his behalf, the votes cast by the proxy shall prevail.

Except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Paragraph (3) of Article 51, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.

The use and solicitation of proxies shall be subject to, the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.).

DIRECTORS AND THE BOARD

- (1) The Board shall consist of not less than five (5) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.
- (3) Directors shall be elected by Members at general meetings. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
- (4) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Methods of Election of Directors and Supervisors of R.O.C. Public Companies).

The Company adopts and applies a candidate nomination mechanism for election of the independent directors. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.

Subject to these Articles, the term for which a Director shall hold office expire at the annual general meeting in the third year following the year of his/her/its election and until he/she/it is re-elected or his/her/its successor has been duly elected; thereafter he/she/it may be eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time new Directors are elected and assume their office subject to these Articles.

- (1) Notwithstanding the preceding Article, a Director may be removed from office at any time by a Special Resolution adopted at a general meeting.
- (2) Without prejudice to other provisions of these Articles, the Directors may be put up for re-election at any time before the expiration of the term of office of such Directors. In the event where all Directors are subject for re-election at a general meeting before the expiration of the term of office of such Directors, subject to the successful election of the new Directors at the same meeting, the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all current Directors will only retire

at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting.

A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his power and authority for any cause, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.

The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of respective years, based on (a) the extent of a Director's involvement with the operations of the Company, (b) the contribution of a Director to the Company, (c) the prevailing industry standard, (d) recommendation by the remuneration committee and (e) such other relevant factors.

When the number of Directors then in office falls below five (5) due to any Director(s) vacating his office for any reason, the Company shall hold an election for such number of Directors at the next general meeting to fill the vacancy for the remainder of the term of such outgoing Director(s). When the number of Directors then in office falls short by one-third of the total number of Directors initially constituting the existing Board, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact for the purposes of electing such number of Directors to fill the casual vacancy.

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

- 66-1. (1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator exercise due care and skill and act in the best interest of the Company in conducting the business operation of the Company, including matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.
- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two Paragraph of this Article shall apply, mutatis mutandis, to the officers of the Company and who are authorised to act on its behalf in a senior management capacity.

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

- 67-1. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or auditor of: the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).
- 67-2. The qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

INDEPENDENT DIRECTORS

During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. One (1) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

POWERS AND DUTIES OF THE BOARD

- (1) Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company.
- (2) If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may

be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.

The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to officers and managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board.

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

COMMITTEES

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

- 73.1(1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
- (2) When reviewing the abovementioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.
- (3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
- (4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.

DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

- (1) The office of a Director shall be vacated, if such Director:
 - (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;
 - (b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (c) has been imposed a final sentence due to violation of the Anti-corruption Act, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;
 - (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
 - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
 - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
 - (h) ceases to be a Director by virtue of Article 75;
 - (i) resigns his office by notice in writing to the Company;
 - (j) is removed from office pursuant to these Articles; or
 - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.
- (2) In case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.

- (3) If a Director (other than Independent Director), after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares such that the remaining Shares are less than one half of the Shares be held by such Director at the time of his election or, within the Book Closure Period fixed prior to the general meeting, has transferred some or all his Shares such that the remaining Shares are less than one half of the Shares be held at the commencement of the Book Closure Period, his election as a Director shall be deemed invalid and void.

Except as approved by the Emerging Market, the TPEX, the TWSE or the Commission (where applicable), the following relationships shall not exist among more than half of the Directors: (1) a spousal relationship; or (2) a familial relationship within the second degree of kinship as defined under the Civil Code of the R.O.C. If any one of the foregoing relationships exists among more than half of the elected Directors, the election with respect to the one who received the lowest number of votes among those related Directors shall be deemed invalid and void; and if he has held office of a Director, he shall cease to act as a Director upon such determination. For the remaining Directors, if the foregoing requirements are still not satisfied, the same procedure set out above shall be applied again to the remaining related Directors, until such time as the foregoing requirements can be complied with.

In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.

Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six (6) months or a longer time may request in writing any Independent Director who is a member of audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the ROC Taipei District Court, and for the avoidance of doubt, any one Independent Director is authorised to act in such manner, notwithstanding that there is no Board meeting or resolution in writing signed by all of the Directors expressly approving the same. In case such Independent Director who is a member of audit committee fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, subject to the applicable laws, the Members making such request may file the action for the Company.

PROCEEDINGS OF THE BOARD

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.

A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days notice in writing, or at any time other than during the Relevant Period, at least forty eight hours notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time if this has been agreed to by a majority of the Directors at such meeting. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors either at, before or retrospectively after the relevant Board meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by telex or telefax.

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

A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.

A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.

Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.

Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution in writing signed by all of the Directors then in office or all of the members of a committee of Directors, including a resolution signed in counterpart or by way of signed telefax transmission, shall be as valid and effectual as if it had been passed at a Board meeting or of a committee of Directors duly called and constituted.

The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the

Members at a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of R.O.C. Public Companies).

RESERVES AND CAPITALISATION

During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules (where the Statutory Reserve amounts to the total issued share capital, this Article shall not apply), and after the aforesaid sums as set aside from the profits for such relevant financial year for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the "**Special Reserve**").

Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve shall be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Statutory Reserve and Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.

- (1) During the Relevant Period, where the Company incurs no loss, it may, subject to the Law, by a Special Resolution, capitalise or distribute its Statutory Reserve and the following Capital Reserve: (i) Share Premium Account and (ii) the income from gifts and donations received by the Company, in whole or in part, by issuing new fully paid shares and/or paying in cash to the Members in proportion to the number of shares held by each of them in accordance with the Law and the Applicable Listing Rules. With respect to the capitalization and distribution of the Statutory Reserve, only the portion of the Statutory Reserve exceeding twenty-five percent (25%) of the issued share capital of the Company may be so capitalized and distributed.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums by issuing new fully paid shares and/or paying in cash to Members in proportion to the number of shares held by each of them.

Where any difficulty arises in regard to any declaration of dividends or bonuses or other distributions under these Articles, the Board may settle the same as they think expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that such declaration of dividends or bonuses or other distributions should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

COMPENSATION, DIVIDENDS AND BONUSES

At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends to be paid to the Members according to their rights and interests, including such interim dividends as appear to the Board to be justified by the position of the Company.

During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares:

- (1) where the Company has earnings at the end of a financial year, based upon the Board's determination, the Company shall distribute not more than zero point one percent (0.1%) of the earnings for such year to the Employees, including employees of any of the Subordinate Companies meeting certain specific requirements, as the Employees' compensation in the form of shares and/or in cash; based upon the Board's determination, the Company may distribute not more than five percent (5%) of such earnings to the Directors as the Directors' compensation. A report of such distribution of Employees' and Directors' compensations shall be submitted to the general meeting of the Company.

Notwithstanding the foregoing, the total amount of accumulated losses of the Company shall be reserved from the said earnings in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above.

- (2) where the Company has profits (including profits of previous years) at the end of a financial year, after paying all relevant taxes, offsetting losses (including losses of previous years), setting aside the Statutory Reserve (if required) and Special Reserve (if any), the Company may, according to a distribution plan proposed by the Board, distribute not less than ten percent (10%) of the balance left ("Surplus Profits") by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held to the Members as dividends in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends shall not be less than ten percent (10%) of the total amount of dividends to the Members.
- (3) dividends, bonuses or other forms of distributions payable to the Members shall only be paid in NTD.

During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special resolution distribute any part or all of the dividends to the Members or bonuses to the Employees and the Directors declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Employees, the Directors and/or the Members.

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

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

- (1) The Board shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered

Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.

- (2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Law and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

During the Relevant Period, at the end of each financial year, the Board shall prepare: (1) the business report; (2) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.

During the Relevant Period, the documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.

Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and the appointment of the Auditors.

During the Relevant Period, the Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide the above documents.

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

TENDER OFFER

Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within fifteen (15) days after receipt of the copy of the public tender offer report form, the public tender offer prospectus, and relevant documents, the Company shall make a public announcement of the following:

- (a) the types, number and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares;
- (b) the recommendations made by the Board to the Members on such tender offer, which shall set forth the identity and financial status of the tender offeror, fairness of the tender

offer conditions, verification on rationality of source of fund for tender offer, and the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;

- (c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and the contents of the change, if any;
- (d) the types, number and amount of the Shares of the tender offer or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares; and
- (e) other relevant significant information.

WINDING UP

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

Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide and distribute amongst the Members the whole or any part of the property of the Company (whether they shall consist of property of the same kind or not) in cash or asset and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.

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

NOTICES

Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission, the Emerging Market, the TPEX or the TWSE (where applicable) and/or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.

104-1. The distribution of the minutes of general meeting may be effected by means of electronic transmission.

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

Any notice or other document, if served by:

- (a) post, shall be deemed to have been served on the day following that on which the letter containing the same is posted or delivered to the courier;
- (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
- (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
- (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.

Any notice or document served to the registered address of any Member in accordance with these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.

REGISTERED OFFICE OF THE COMPANY

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

FINANCIAL YEAR

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

SEAL

The Company shall have one or more Seals, as the Board may determine. No Seal shall be used without the authority of the Board. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed by two Directors or one Director and the Secretary or by such other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for Shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

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

- 111.(1) During the Relevant Period, the Company shall appoint a person as its litigation or non-litigation agent under the Securities and Exchange Act of the R.O.C. and such agent will be deemed as its responsible person in the R.O.C. under the Securities and Exchange Act of the R.O.C..
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

CHANGES TO CONSTITUTION

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

Appendix 2

“Shareholders Meeting Rules” (Before amendments)

Tong Ming Enterprise Co.,Ltd. Shareholders Meeting Rules

1. Purpose

The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.

2. Scope and applicable objects:

2.1 Scope: The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).

2.2 Applicable objectives: The Company

3. Units on duty: All departments

4. Work procedure

4.1 Unless otherwise stated by the law or regulation, the Board shall convene the Shareholders’ Meeting. The board of directors or other authorized conveners of shareholders’ meetings may require the Company or its shareholder service agent to provide with the roster of shareholders.

4.2 Regarding the principles of the venue and time of the Shareholders’ Meeting, the venue of the Shareholders’ Meeting shall be in the Republic of China and suitable for convening the Shareholders’ Meeting, and the Meeting may not start earlier than 9 am or later than 3 pm. The venue and the time shall fully consider the Independent Directors’ opinions.

4.3 The preparation of a sign-in registry

4.3.1 The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder’s representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

4.3.2 The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

4.3.3 Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy holders should have identity documents with them for examination.

4.3.4 When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

4.4 Chairperson and Participants

4.4.1 Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairmen. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.

4.4.2 It is preferable if more than half of the board directors attending the shareholders' meeting that is convened by the board of directors, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

4.4.3 If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

4.4.4 The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

4.5 The Company shall record or video the entire process of the Shareholders' Meeting, and keep it for at least one year. However, if the Shareholders institute a lawsuit against the validity of the Shareholders' Meeting or withdrawal of the resolution of the Shareholders' Meeting, the recording or video shall be kept until the end of the lawsuit.

4.6 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

4.7 The chairperson shall announce the commencement of meeting as soon as it is due. However, if attendants represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. Even after two attempts there are still less than half of the Shareholders of the total issued shares attending the Shareholders' Meeting, the Chairman may announce cancellation of the meeting.

4.8 Discussion of Meeting Agenda

4.8.1 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The relevant motions (including extemporaneous motions and amendments to original motions) shall pass the resolution on a one agenda by one agenda basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

4.8.2 If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

4.8.3 The Chairman may not have the meeting adjourned at his discretion before the proposals (including motions) resolved in the two agendas referred to above. If the Chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the Chairman with the majority votes of the attending shareholders to continuously chair the meeting.

4.8.4 The chairperson shall give sufficient explanation and opportunity to discuss the motions and amendments or temporary motions proposed by the shareholders,

and when he/she considers that the motions have reached the level ready for voting, he/she may announce to stop the discussion and put the motions to vote, and arrange an appropriate time for voting. At least one member of each functional committee shall attend the meeting and the attendance shall be recorded in the minutes of the shareholders' meeting.

- 4.8.5 Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, Article 19-1(1) of the Company's Articles of Incorporation provided for the compulsory repurchase of the Company's shares and the cancellation, 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.

The main content of the meeting may be placed on the website designated by the securities authority or the Company, and the website address shall be included in the notice of convening. The convening of the shareholders' meeting has been set forth in the cause of general re-election of directors and the date of their assumption of office.

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.

- 4.8.6 During the listing period, a shareholder holding one percent or more of the total number of issued shares may submit to the Company 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.
- 4.8.7 Prior to the book closure date before a regular shareholders meeting is held, the Company 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, the Company 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.

4.8.8 The Company shall convene a shareholders' meeting and may perform its voting rights through electronic approach or written papers; when performing its voting rights in written or electronic approach, the method of exercise shall be stated in the notice of shareholders' meeting. A shareholder who exercises his or her voting rights in written or electronic approach shall be deemed to be present in person at the shareholders' meeting. However, the provisional motion and the amendment to the original motion for such shareholders' meeting shall be deemed to be abstained from voting. Therefore, the Company is advised to refrain from proposing provisional motions and amendments to the original motion.

4.9 Delivery of speech by shareholders

4.9.1 Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.

4.9.2 Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

4.9.3 Each shareholder may have the floor for delivery of the speech on the same motion once only, and may take the floor twice only at the approval of the Chairman. Only 5 minutes is allowed for each speech. If the content of the speech defies the parliamentary rules or deviates from the motion, the Chairman shall interrupt the speech.

4.9.4 Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.

4.9.5 If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The Chairman may reply to the speaking shareholders personally or by the designated personnel.

4.10 Counting of the vote

4.10.1 Resolutions of the meeting of shareholders should be based on their shareholdings.

4.10.2 For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

4.10.3 Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

4.10.4 The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented in the meeting.

- 4.10.5 Every Shareholder has one voting right, unless it is restricted or stated in the Articles of Incorporation.
- 4.11 Unless otherwise stated in the Cayman Law, Listing Rules or Articles of Incorporation, an approval means more than half of the attended Shareholders need to approve it. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting.
- 4.11.1 When there is an amendment or alternative for the same motion, the Chairman shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.
- 4.11.2 Chairman is to appoint the scrutineers and counting officers who must be shareholders. Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.
- 4.12 Elections
- 4.12.1 An election of Directors and Supervisors may be held in a session of the Shareholders' Meeting, shall proceed in accordance the rules and regulations of the Company, and the election result shall be announced on the scene.
- 4.12.2 Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, if the Shareholders institute a lawsuit against the validity of the Shareholders' Meeting or withdrawal of the resolution of the Shareholders' Meeting, the recording or video shall be kept until the end of the lawsuit.
- 4.13 The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.
- 4.14 For shareholders holding less than 1,000 registered shares, the company may distribute the minutes under the previous paragraph by public announcement on the Market Observation Post System.
- 4.15 The meeting date, month, day, place, name of the chairperson, method of resolution, main points of the proceedings and voting results (including the number of votes counted) shall be recorded, and in the case of election of directors, the number of votes received by each candidate shall be disclosed. The records shall be kept permanently for the duration of the Company's existence.
- 4.16 Public announcement
- 4.16.1 The Company shall keep track on and compile the statistical data on the quantity of shares represented through assignment or represented by proxies in the required format on the day of the session, and disclose them explicitly on the scene of the meeting.
- 4.16.2 For resolutions of the Shareholders Meeting, if it is an important announcement in accordance to the law, the regulations of the Taiwan Stock Exchange, or TPEx (if applicable), the Company shall, within the instructed time, post such information to the Market Observation Post System.
- 4.17 Keep the order of the session.
- 4.17.1 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

4.17.2 The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

4.17.3 When the meeting place is equipped with amplifying equipment, the Chairman may stop shareholders who do not use the speaking device provided by the Company from speaking. The Chairman may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

4.18 Recess, resumption of meeting.

4.18.1 The Chairman may announce for recess in the course of the session. In the event of force majeure, the Chairman may announce for a suspension of the session and announce the time for resuming the session.

4.18.2 If the meeting place cannot be used continuously before the proposals (including motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

4.18.3 The Shareholders' Meeting may decide to delay or continue within 5 days.

4.19 The rule begins once decided by the Shareholders' Meeting; the same applies when there is a change of rule.

5. Related attachment: None

6. Related departments: All departments

This procedure was established on April 16, 2010 after approved in the Board Meeting.

This procedure was established on May 19, 2010 after approved in the Shareholders' Meeting.

The procedure was first established on April 12, 2013 after being approved in the Board Meeting.

This procedure was first amended on May 13, 2013 after approved in the Shareholders' Meeting.

The second amendment of this procedure was on March 4, 2019, after approved in the Board Meeting.

The second amendment of this procedure was on June 14, 2019, after approved in the Shareholders' Meeting.

Appendix 3

“Procedures for Election of Directors” (Before amendments)

Tong Ming Enterprise Co.,Ltd.

Rules for Elections of Directors and Supervisors

1. Purpose

This provision was established so the Directors' election can follow this.

2. Scope and applicable objects

2.1 Scope: Unless otherwise specified by law or the Articles of Incorporation, election of the Company's directors shall proceed according to the procedures stated here.

2.2 Applicable to the Company and its consolidated subsidiaries.

3. Responsible department: None

4. Work procedure

4.1 During the listing period, Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Except as otherwise provided by law, the Company shall not arbitrarily require the documents of qualifications and shall announce the list of candidates for directorship, their academic qualifications and experience. The shareholders shall elect the candidates for directorship.

4.2 For the election of directors of the Company, the name of the elector shall be replaced by the attendance number. Unless otherwise provided in the Company's Articles of Incorporation, each share shall have the same right to vote as the number of directors to be elected, and may elect one person centrally or several persons separately. The Board of Directors shall prepare the same number of ballots as the number of directors to be elected, fill in the number of rights, and distribute them to each shareholder.

4.3 The directors of the Company shall be elected in accordance with the quotas set forth in the Articles of Incorporation, and the right to elect independent directors and non-independent directors shall be calculated separately, and those who receive more votes representing the right to elect shall be elected in order.

4.4 When the Board prepares the votes, they shall number it according to the number in attendance and add the weight of it.

4.5 At the beginning of the election, the chairperson shall appoint a scrutineer and a teller to monitor and record the votes, but the scrutineer shall be a shareholder and perform all relevant duties.

4.6 The ballot box will be made available by the Board of Directors, and shall be opened for inspection by the ballot examiner prior to voting.

4.7 If the candidate is also a shareholder, voters shall specify both shareholder account name and number in the "candidate" column of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the government or a legal person is a candidate, the name of the candidate shall state the government or the name of the legal person.

4.8 Ballots are invalid in any of the following circumstances:

4.8.1 The ballots used are not in compliance with the Rules for Directors and Supervisors Elections.

- 4.8.2 Blank ballots are cast in the ballot box.
- 4.8.3 Unidentifiable ballot due to illegible or incomplete corrections.
- 4.8.4 The shareholder's account name and number of the candidate who is a shareholder differs from the Shareholder Registry, or, the name and ID Card number of the candidate who is not a shareholder is found with nonconformity.
- 4.8.5 Other words or marks are entered in addition to the name (account name), the shareholder's account number (ID number) and the number of voting rights allotted.
- 4.8.6 The candidate's name written in the ballot coincides with another shareholder, but no shareholder account number or ID card number is provided for identification.
- 4.9 The ballot box shall be placed for the election of Directors, and after voted separately, the poll watcher and the ticket counters open the ballot box together.
- 4.10 Vote counting is supervised by the poll watcher, and the chairman announces the result on the spot. The list of directors elected and the number of their election rights are also included.
- 4.11 Should there be items not instructed in this provision, the related law shall prevail and be followed.
- 4.12 These procedures will be implemented after being approved in the shareholders' meeting, same as the amendment.

5. Related attachment: None

6. Related departments: All departments

This procedure was established on April 16, 2010 after approved in the Board Meeting.

This procedure was first amended on May 19, 2010 after approved in the Shareholders' Meeting.

The procedure was second amended on April 12, 2013 after being approved by the Board Meeting.

The procedure was second amended on May 13, 2013 after being approved by the Shareholders' Meeting.

Appendix 4
All Directors' Shareholding Status

Tong Ming Enterprise Co.,Ltd.

The Status of the Entire Directors' Shareholding

Until the Lockout Date: The Status of Each Directors' Shareholding as listed in the Shareholders' List as of April 19, 2021, is as below:

Title	Name	Shares
Chairman	Tsai Ching-Tung	3,317,625
Director	Tong One Holdings Limited Representative: Tsai Hung-Chuan	24,000,000
Director	Richard International Co.,Ltd Representative: Tsai Yi-Ting	24,000,000
Director	Ko Wew-Ling	173,000
Independent director	Huang Ming-Tze	0
Independent director	Ko Yung-Hsiang	0
Independent director	Hsu Ching-Pang	0
Total		51,490,625

Note:(1) The paid-in capital of the Company is NT\$1,680,000,000, and the total issued shares are 168,000,000.

(2) In accordance with the "Rules and Review Procedure for Directors and Supervisor Share Ownership Ratios at Public Companies", the minimum shares to hold for the entire Board of Directors is 10,080,000.

