

Stock Code: 6415



# **Silergy Corp.**

## 2024 Annual Shareholders' Meeting

### Meeting Agenda (Translation)

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This is a translation of the agenda for 2024 Annual General Shareholders' Meeting of Silergy Corp. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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## **I. Meeting Procedure**

### **Silergy Corp. 2024 Annual Shareholders' Meeting Procedure**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Recognition and Discussion Items
5. Extempore Motions
6. Adjournment

## **II. Meeting Agenda**

### **Silergy Corp. 2024 Annual Shareholders' Meeting Agenda**

Time: 9:00 a.m., May 30, 2024

Place: 4F., No. 101, Songjiang Rd., Zhongshan Dist., Taipei City (UPGRADE BUSINESS CENTER)

Attendants: All shareholders or their proxy holders

Chairman: WEI CHEN, Chairman of the Board of Directors

1. Call the Meeting to Order

2. Chairman's Address

3. Report Items

(1) To report the business of 2023

(2) Audit committee's review report

(3) To report 2023 employees' and directors' remunerations

(4) To report 2023 earnings distribution in the form of cash dividend

(5) To report the execution of the Repurchase of Company's Common Shares

4. Recognition and Discussion Items

(1) To accept 2023 Business Report and Consolidated Financial Statements

(2) To accept the proposal for the distribution of 2023 Earnings

(3) To approve the amendments to the Procedures for Endorsements & Guarantees

(4) To approve the Issuance of New Employee Restricted Shares

5. Extempore Motions

6. Adjournment

## Report Items

1. To report the business of 2023

Explanation: Please refer to Attachment 1 (pages 9-11).

2. Audit Committee's Review Report

Explanation: Please refer to Attachment 2 (page 12).

3. To report 2023 employees' and directors' remunerations

Explanation: Distribution of NT\$66,112,123 and NT\$14,286,000 in cash as remunerations to employees and directors, respectively, have been approved by the meeting of the Board of Directors held on March 12, 2024.

4. To report 2023 earnings distribution in the form of cash dividend

Explanation: Resolution for distributing 2023 distributable earnings was approved by the board of directors on March 12, 2024. Cash dividend of NT\$751,315,818 for common shares at NT\$1.96011904 per share will be distributed. The payment date is April 25, 2024.

5. To report the execution of the Repurchase of Company's Common Shares

Explanation: Please refer to the following table for the execution of the Company's first repurchase of its common shares.

Date of the board of directors' resolution	2023/12/20
Purpose of the share repurchase	To transfer shares to employees
Scheduled period for the repurchase	2023/12/21~2024/2/20 °
Originally determined no.of shares to be repurchased (shares)	3,000,000
Originally determined repurchase price range (NTD)	282.45~602.70/share
No. of shares currently repurchased (shares)	595,000
Total monetary amount of shares currently repurchased (NTD)	239,746,279
Current average repurchase price per share (NTD)	402.93
Cumulative no. of the company's own shares held (shares)	595,000
Cumulative no. of the company's own shares as a percentage of the total no. of the company's issued shares (%)	0.15%
Reason for non-completion of the current share repurchase	In order to protect shareholders' rights and to take into account the market mechanism, the company adopted a phased repurchase strategy depending on the changes in shares price and trading volume. Therefore, the repurchase of treasury shares was not completed.

## **Recognition and Discussion Items**

### **Proposal 1 (Proposed by the Board of Directors)**

Purpose: To accept 2023 Business Report and Consolidated Financial Statements.

Explanation:

1. The 2023 Consolidated Financial Statements were audited by the independent auditors, Ming-Yen Chien and Chun-Hung Chen of Deloitte & Touche.
2. For the 2023 Business Report, Independent Auditors' Report, and the 2023 consolidated Financial Statements, please refer to Attachments 1 (pages 9-11) and 3 (pages 13-22).

Resolution:

### **Proposal 2 (Proposed by the Board of Directors)**

Purpose: To accept the proposal for the distribution of 2023 Earnings.

Explanation: The proposed distribution of earnings for fiscal year 2023 was approved by the Board of Directors' Meeting on March 12, 2024, and the distribution schedule for fiscal year 2023 is attached as Attachment 4 (pages 23).

Resolution:

### **Proposal 3 (Proposed by the Board of Directors)**

Purpose: To approve the amendments to the Procedures for Endorsements & Guarantees

Explanation:

1. For business operations need, it is proposed to amend the Procedures for Endorsements & Guarantees;
2. Please refer to Attachment 5 (pages 24-25) for the comparison table of the amendments.

Resolution:

### **Proposal 4 (Proposed by the Board of Directors)**

Purpose: To approve the Issuance of New Employee Restricted Shares.

Explanation:

1. To attract and retain professionals needed by the Company, incentive employees and augment the employees' loyalty to jointly create the interest of the Company and its shareholders, it is hereby proposed that the shareholders' meeting to resolve 2024 New Employee Restricted Shares Plan and to issue the new employee restricted shares accordingly.
2. Below are the total amounts to be issued and the conditions for their issuance:
  - (1) The total amount to be issued is NT\$1,250,000, with the face value of NT\$2.5 for each share. A total of 500,000 shares will be issued. The restricted shares shall be issued at NT\$ 0 per share in common shares.
  - (2) The employees who qualify for the employee restricted shares will be employees of the Company and its domestic and foreign subsidiaries are eligible participants of this Plan. The actual number of distributable restricted shares to employees will take the following factors into consideration: work performance, overall contribution, special contribution, pay grade and/or years of experience. The Chairman will approve of the restricted shares and submit to the Board for approval. The number of restricted shares that each individual employee can be awarded with will follow the regulations from Article 60-9 in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
  - (3) Vesting conditions shall be divided into Category A and Category B:

Category A: 300,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries for 2 years since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.

Category B: 200,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries



for 3 years since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.

The company business objectives for Category A and Category B shall be that the Company's revenue in 2025 increases by over 120%(including) compared to 2024.

- (4) The employees holding unvested Restricted Shares are entitled to the rights to participate in stock dividends distribution but are not entitled to the rights to participate in cash dividends distribution, the preemptive rights to subscribe for new shares issued for capital increase and the rights to vote.
3. Amounts that can be monetized, dilution to the Company's EPS and other possible impacts on shareholders' interests:
    - (1) The total of 500,000 new employee restricted shares to be issued are calculated on the basis of the market value of NT\$402.5 per share as of March 12, 2024. The Company estimates that possible monetization value is approximately NT\$201,250K.
    - (2) The dilution effect on the Company's annual EPS after issuance is NT\$0.52 (calculated on the basis of the 384,544K issued shares of this Company by February 29, 2024).
  4. Please refer to Attachment 6 (pages 26-29) for 2024 Employee Restricted Shares Plan. It is proposed for the shareholders meeting to authorize the Board full rights to handle relevant matters and to apply to the governing institution for all shares at one time or in batches. If relevant legal regulations shall change or the governing institution's directives shall change in the future, it is also proposed for the Board to receive all rights to handle accordingly.

Resolution:

## **Extempore Motions**

## **Adjournment**

## Attachment 1

### Business Report

In 2023, the global economy continues to face challenges such as rising raw material prices, inflation, significant fluctuations in the international currency market, and multiple impacts due to economic weakness such as uncertain end-demand and widespread inventory adjustments in the supply chain. During the period of global economic and industrial supply chain adjustment, the semiconductor industry is being faced with a complex and challenging environment, with revenue in 2023 falling short of expectations. However, the entire Company is making more rigorous plans and adjustments in areas such as research and development, business, and internal operations, in order to stand firm amidst these difficult circumstances. Silergy's revenue for 2023 was approximately NT\$15,427,335 thousand, a decrease of about 34% compared to NT\$23,511,086 thousand in 2022. The annual net profit was NT\$746,004 thousand, with a net profit margin of 5% and basic earnings per share of NT\$1.96.

The Company's product range continues to expand, reaching over 5,500 items by the end of 2023. Main markets are Mainland China, Taiwan, and South Korea, with accelerated expansion into customer bases in the United States, Europe, and other regions in Asia. In 2023, consumer electronics, industrial products, computing products, communication products, and automotive products contributed to approximately 38%, 34%, 13%, 7%, and 8%, respectively, of the total revenue.

Due to the overall environmental impact, the industrial, information, and network communication sectors have all faced varying degrees of pressure from supply chain prices and inventory. While shipment volume in the consumer sector has been steadily growing, it still has to contend with unusually high industry price competition. Despite challenges posed by the harsh environment, however, automotive products maintained stable growth, accounting for 8% of the annual revenue. At the same time, dozens of new application chips have been exported to global automotive manufacturers. BMS AFE and MCU chips are also about to enter mass production, further elevating the overall application level. Meanwhile,

regarding AI power supply, the multi-phase Buck power supply equipped with efficiency-grade DrMOS is currently being mass-produced on clients. In the future, the Company will continue to develop high-power and high-voltage density products in various product areas with active investment in new product R&D and market expansion, especially in response to the technological development and demand driven by AI and new energy sources.

In terms of R&D and process technology development, the Company's self-owned process technologies have been operating on the G3 platform and the proportion of production has been increasing year by year, surpassing 50% by the end of 2023. G4 production has entered mass production, and is expected to be in conjunction with the R&D capacity expansion of new higher-end products in 2024, more effectively enhancing product competitiveness and capacity utilization. The Company's patents for R&D and process technologies have also continued to increase. As of the end of 2023, not accounting for over 364 patents still in the application process, a total of 1,727 patents from China, United States, Taiwan, Japan, India, etc. have been obtained, including 116 new patents acquired in 2023.

In terms of the Company's sustainable development strategy, Silergy has always focused on energy conservation and carbon reduction as the core of its product technology, aiming to promote eco-friendly and sustainable development. In 2021, the ESG/Sustainable Development Task Force was established to engage in ESG-related initiatives. In early 2022, the first ESG report was issued, followed by the presentation of a carbon peak and carbon neutrality development strategy in 2023. The Company plans to complete ISO45001 certification and ESG report verification by 2024, with the aim of meeting international standards and continuously improving operations in line with global practices. At the same time, it plans to fully integrate the concept of sustainable management into the Company's strategic planning and operational management at all levels, and laying a solid foundation for high-quality sustainable development. In the future, the Company will continue to invest resources and implement improvements in various areas, such as the environment, social responsibility, and corporate governance. The goal is to achieve both business growth and environmental protection, demonstrating the achievements and value of sustainable development.

Furthermore, with unchanged long-term objectives, Silergy will continue to focus on its core of innovative technologies as well as its mission of reducing energy consumption to maintain a clean planet. The Company will continue to pursue the highest standard of energy-saving analog chips and strive to become one of the leading semiconductor companies in energy-saving technologies. In the new year, the Company will continue to invest in advanced product R&D and accelerate the adoption of more advanced manufacturing processes through refined management and internal controls. While adhering to principles of integrity, innovation, and sustainable service, the Company will carry out the expansion of the market scope and market share of new products, with a goal to create greater corporate value to reward shareholders' support.

Chairman: Wei Chen

General Manager: Budong You

Accounting Manager: Shao-wei Chen

## **Attachment 2**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's Business Report, Consolidated Financial Statements, and Earnings Distribution Proposal for the year of 2023. Ming-Yen Chien and Chun-Hung Chen, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The 2023 Business Report, Consolidated Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Silergy Corp. We hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Silergy Corp.

Chair of the Audit Committee: Jet Tsai

March 12, 2024

## **Attachment 3**

# **Independent Auditors' Report and 2023 Consolidated Financial Statements**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Silergy Corp.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Silergy Corp. and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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 material accounting policy information (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 Company as of December 31, 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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, 2023. 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.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

#### Occurrence of Sales Revenue for Specific Customers

The sales revenue amounted to NT\$15,427,335 thousand for the year ended December 31, 2023. The revenue growth trend of certain specific clients in the current year is contrary to that of the overall group, and the sales amount was significant; thus, the occurrence of sales revenue for specific agents was identified as the key audit matter.

The audit procedures developed for this key audit matter were as follows:

1. We obtained an understanding of and evaluated operating procedures and internal control related to revenue recognition. Test the design and implementation effectiveness of the control.
2. We sampled and tested sales transactions from specific agents by inspecting orders, delivery documents, receipts of payment and sending confirmation letters in order to validate the occurrence of sales revenue.
3. We confirmed whether there were any material sales returns, discounts and supporting documents for the year ended December 31, 2023 and subsequent periods.

#### **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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the audit committee, are responsible for overseeing the Company'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 Standards on Auditing of 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 Standards on Auditing of 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 Company'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 Company'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 Company 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 Company 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, 2023 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-Yen Chien and Chun-Hung Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2024

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.*

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 12,694,412	37	\$ 14,943,680	42
Financial assets at amortized cost - current (Notes 4 and 8)	5,728,588	17	2,425,193	7
Accounts receivable, net (Notes 4, 9 and 24)	1,784,939	5	1,617,688	5
Other receivables (Notes 4, 9 and 11)	530,092	1	87,226	-
Inventories (Notes 4, 5 and 10)	1,817,170	5	5,111,128	15
Prepayments (Note 18)	297,787	1	353,981	1
Total current assets	<u>22,852,988</u>	<u>66</u>	<u>24,538,896</u>	<u>70</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 5, 7 and 30)	4,122,780	12	3,729,859	11
Investments accounted for using the equity method (Notes 4, 5 and 12)	941,175	3	941,434	3
Property, plant and equipment (Notes 4 and 13)	2,350,218	7	1,862,613	5
Right-of-use assets (Notes 4 and 14)	837,759	2	621,941	2
Investment properties (Notes 4 and 15)	537,704	2	603,982	2
Goodwill (Notes 4, 5 and 16)	1,406,832	4	1,504,441	4
Other intangible assets (Notes 4 and 17)	540,692	2	665,000	2
Deferred tax assets (Notes 4 and 26)	323,851	1	164,883	-
Refundable deposits (Notes 31 and 32)	325,853	1	425,895	1
Long-term accounts receivable, net (Notes 11)	164,738	-	167,559	-
Long-term prepayments (Note 18)	17,422	-	47,669	-
Total non-current assets	<u>11,569,024</u>	<u>34</u>	<u>10,735,276</u>	<u>30</u>
<b>TOTAL</b>	<u>\$ 34,422,012</u>	<u>100</u>	<u>\$ 35,274,172</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowing (Note 19)	\$ 160,403	1	\$ -	-
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	16,858	-
Accounts payable (Note 20)	487,961	1	601,448	2
Accounts payable - related parties (Note 31)	3,577	-	4,694	-
Other payables (Notes 21 and 31)	1,056,888	3	1,344,035	4
Current tax liabilities (Note 26)	113,651	-	360,825	1
Lease liabilities - current (Notes 4 and 14)	84,538	-	51,376	-
Other current liabilities (Notes 21, 24 and 31)	42,981	-	35,847	-
Total current liabilities	<u>1,949,999</u>	<u>5</u>	<u>2,415,083</u>	<u>7</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 26)	68,352	-	19,709	-
Lease liabilities - non-current (Notes 4 and 14)	205,476	1	52,484	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	2,902	-	1,363	-
Guarantee deposits (Note 32)	654,754	2	1,293,469	4
Other non-current liabilities	10	-	10	-
Total non-current liabilities	<u>931,494</u>	<u>3</u>	<u>1,367,035</u>	<u>4</u>
Total liabilities	<u>2,881,493</u>	<u>8</u>	<u>3,782,118</u>	<u>11</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 23 and 28)</b>				
Share capital				
Common shares	960,498	3	953,900	3
Capital surplus	12,407,582	36	10,946,900	31
Retained earnings				
Legal reserve	996,568	3	996,568	3
Special reserve	213,051	1	1,461,963	4
Unappropriated earnings	17,386,408	50	17,103,077	48
Total retained earnings	<u>18,596,027</u>	<u>54</u>	<u>19,561,608</u>	<u>55</u>
Other equity				
Exchange differences on translating foreign operations	(596,716)	(2)	(213,051)	(1)
Unearned employee benefits	(439,577)	(1)	(486,073)	(1)
Total other equity	<u>(1,036,293)</u>	<u>(3)</u>	<u>(699,124)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	<u>30,927,814</u>	<u>90</u>	<u>30,763,284</u>	<u>87</u>
<b>NON-CONTROLLING INTERESTS (Note 11)</b>	<u>612,705</u>	<u>2</u>	<u>728,770</u>	<u>2</u>
Total equity	<u>31,540,519</u>	<u>92</u>	<u>31,492,054</u>	<u>89</u>
<b>TOTAL</b>	<u>\$ 34,422,012</u>	<u>100</u>	<u>\$ 35,274,172</u>	<u>100</u>

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

**SILERGY CORP.**  
**(Incorporated in the Cayman Islands)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Note 24)	\$ 15,427,335	100	\$ 23,511,086	100
OPERATING COSTS (Notes 10, 25 and 31)	<u>8,847,896</u>	<u>57</u>	<u>11,152,146</u>	<u>48</u>
GROSS PROFIT	<u>6,579,439</u>	<u>43</u>	<u>12,358,940</u>	<u>52</u>
OPERATING EXPENSES (Notes 4, 9, 22, 25 and 31)				
Selling and marketing expenses	1,313,298	8	1,140,015	5
General and administrative expenses	895,301	6	828,334	3
Research and development expenses	4,894,418	32	4,460,370	19
Expected credit loss (gain on reversal) recognized on trade receivables	<u>(4,252)</u>	<u>-</u>	<u>1,477</u>	<u>-</u>
Total operating expenses	<u>7,098,765</u>	<u>46</u>	<u>6,430,196</u>	<u>27</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 12, 13 and 25)	<u>32,934</u>	<u>-</u>	<u>16,716</u>	<u>-</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(486,392)</u>	<u>(3)</u>	<u>5,945,460</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	638,552	4	333,030	1
Other income (Notes 25 and 31)	573,582	4	402,540	2
Foreign exchange gain, net (Notes 4 and 33)	76,280	-	245,289	1
Interest expenses (Note 25)	(2,540)	-	(1,319)	-
Miscellaneous expenses	(40,616)	-	(87,027)	-
Impairment loss (Note 16)	(95,894)	(1)	-	-
Gain (loss) on financial instruments at fair value through profit or loss (Notes 7 and 30)	122,281	1	(32,485)	-
Share of loss of associates (Note 12)	<u>(163,023)</u>	<u>(1)</u>	<u>(131,459)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>1,108,622</u>	<u>7</u>	<u>728,569</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	622,230	4	6,674,029	28
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 26)	<u>14,820</u>	<u>-</u>	<u>(529,117)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>637,050</u>	<u>4</u>	<u>6,144,912</u>	<u>26</u>

(Continued)

**SILERGY CORP.**  
**(Incorporated in the Cayman Islands)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS (Notes 4, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	\$ (65,839)	-	\$ 2,681,768	11
Remeasurement of defined benefit plans	(844)	-	(1,865)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(467,855)	(3)	(1,348,697)	(6)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>142,369</u>	<u>1</u>	<u>(76,771)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(392,169)</u>	<u>(2)</u>	<u>1,254,435</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 244,881</u>	<u>2</u>	<u>\$ 7,399,347</u>	<u>31</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 746,004	5	\$ 6,038,731	26
Non-controlling interests	<u>(108,954)</u>	<u>(1)</u>	<u>106,181</u>	<u>-</u>
	<u>\$ 637,050</u>	<u>4</u>	<u>\$ 6,144,912</u>	<u>26</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 361,495	3	\$ 7,285,778	31
Non-controlling interests	<u>(116,614)</u>	<u>(1)</u>	<u>113,569</u>	<u>-</u>
	<u>\$ 244,881</u>	<u>2</u>	<u>\$ 7,399,347</u>	<u>31</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$1.96</u>		<u>\$15.95</u>	
Diluted	<u>\$1.89</u>		<u>\$15.21</u>	

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

(Concluded)

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity (Note-28)			Non-controlling Interests (Note 11)	Total Equity	
	Common Share (Note 23)	Capital Surplus (Notes 23 and 28)	Retained Earnings (Notes 12 and 23)				Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Other Equity			Total
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings						
BALANCE AT JANUARY 1, 2022	\$ 943,567	\$ 9,256,486	\$ 996,568	\$ 1,129,475	\$ 13,184,448	\$ 15,310,491	\$ (1,461,963)	\$ (315,207)	\$ (1,777,170)	\$ 23,733,374	\$ 444,578	\$ 24,177,952
Appropriation of the 2021 earnings	-	-	-	332,488	(332,488)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(1,698,420)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
Cash dividends distributed by Silergy Corp.	-	-	-	332,488	(2,030,908)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
Changes in percentage of ownership interests in subsidiaries	-	36,690	-	-	(17,255)	(17,255)	-	-	-	19,435	(19,435)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	19,127	-	-	(70,074)	(70,074)	-	-	-	(50,947)	-	(50,947)
Recognition compensation cost of employee share options by Silergy Corp.	-	767,175	-	-	-	-	-	-	-	767,175	-	767,175
Net profit for the year ended December 31, 2022	-	-	-	-	6,038,731	6,038,731	-	-	-	6,038,731	106,181	6,144,912
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	(1,865)	(1,865)	1,248,912	-	1,248,912	1,247,047	7,388	1,254,435
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	6,036,866	6,036,866	1,248,912	-	1,248,912	7,285,778	113,569	7,399,347
Issue of common shares under employee share options	7,920	355,826	-	-	-	-	-	-	-	363,746	-	363,746
Issue of restricted shares of stock and recognition of related compensation cost	2,426	515,699	-	-	-	-	-	(174,982)	(174,982)	343,143	-	343,143
Cancellation of restricted employee shares	(13)	(4,103)	-	-	-	-	-	4,116	4,116	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	190,058	190,058
BALANCE AT DECEMBER 31, 2022	953,900	10,946,900	996,568	1,461,963	17,103,077	19,561,608	(213,051)	(486,073)	(699,124)	30,763,284	728,770	31,492,054
Appropriation of the 2022 earnings	-	-	-	(1,248,912)	1,248,912	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	(1,710,741)	-	(1,710,741)
Cash dividends distributed by Silergy Corp.	-	-	-	(1,248,912)	(461,829)	(1,710,741)	-	-	-	(1,710,741)	-	(1,710,741)
Changes in percentage of ownership interests in subsidiaries	-	21,939	-	-	-	-	-	-	-	21,939	(21,939)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	3,441	-	-	-	-	-	-	-	3,441	-	3,441
Recognition compensation cost of employee share options by Silergy Corp.	-	1,062,715	-	-	-	-	-	-	-	1,062,715	-	1,062,715
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	746,004	746,004	-	-	-	746,004	(108,954)	637,050
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(844)	(844)	(383,665)	-	(383,665)	(384,509)	(7,660)	(392,169)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	745,160	745,160	(383,665)	-	(383,665)	361,495	(116,614)	244,881
Issue of common shares under employee share options	6,209	315,025	-	-	-	-	-	-	-	321,234	-	321,234
Issue of restricted shares of stock and recognition of related compensation cost	389	57,562	-	-	-	-	-	46,496	46,496	104,447	-	104,447
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	22,488	22,488
BALANCE AT DECEMBER 31, 2023	\$ 960,498	\$ 12,407,582	\$ 996,568	\$ 213,051	\$ 17,386,408	\$ 18,596,027	\$ (596,716)	\$ (439,577)	\$ (1,036,293)	\$ 30,927,814	\$ 612,705	\$ 31,540,519

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

**SILERGY CORP.**  
**(Incorporated in the Cayman Islands)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 622,230	\$ 6,674,029
Adjustments for:		
Expected credit loss (gain on reversal) recognized on trade receivables	(4,252)	1,477
Net (gain) loss on financial instruments at fair value through profit or loss	(122,281)	32,485
Depreciation expenses	511,144	389,031
Amortization expenses	212,758	204,321
Interest income	(638,552)	(333,030)
Dividend income	(360,702)	(111,141)
Interest expenses	2,540	1,319
Compensation cost of employee share options	1,062,715	767,175
Compensation cost of restricted employee shares	104,447	343,143
Share of loss of associates	163,023	131,459
(Gain) loss on disposal of property, plant and equipment	(15,840)	419
Gains on disposal of intangible assets	(17,094)	(17,135)
Write-down of inventories	998,991	317,886
Unrealized (gain) loss on foreign currency exchange	(424)	9,908
Impairment loss of goodwill	95,894	-
Gain on lease modification	-	(16)
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(160,824)	290,763
(Increase) decrease in other receivables	(32,206)	27,188
Decrease (increase) in inventories	1,982,892	(2,676,391)
Decrease in prepayments	83,344	139,931
Increase in defined benefit assets - non-current	-	(79)
Decrease in refundable deposits	108,948	-
Decrease in accounts payable	(113,149)	(131,272)
Decrease in accounts payable - related parties	(1,117)	(3,090)
(Decrease) increase in other payables	(137,821)	200,794
Increase (decrease) in other current liabilities	7,134	(13,452)
Increase in defined benefit liabilities - non-current	484	-
(Decrease) increase in guarantee deposits	(664,556)	1,274,358
Cash generated from operations	3,687,726	7,520,080
Interest received	565,251	296,513
Interest paid	(2,540)	(1,319)
Income tax paid	(377,126)	(815,413)
	<u>3,873,311</u>	<u>6,999,861</u>
Net cash generated from operating activities		(Continued)

**SILERGY CORP.**  
**(Incorporated in the Cayman Islands)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	\$ (5,728,588)	\$ (2,425,193)
Proceeds from sale of financial assets at amortized cost	2,425,193	1,246,936
Purchase of financial assets at fair value through profit or loss	(336,749)	(692,775)
Purchase of investments accounted for using the equity method	(132,459)	(239,005)
Payments for property, plant and equipment	(1,120,818)	(551,781)
Proceeds from disposal of property, plant and equipment	155,693	337
Increase in refundable deposits	(8,906)	(94,227)
Payments for intangible assets	(85,673)	(61,627)
Payments for right-of-use assets	(65,983)	(499,335)
Increase in long-term prepayments	(35,531)	(38,266)
Cash dividends received	<u>360,702</u>	<u>111,141</u>
Net cash used in investing activities	<u>(4,573,119)</u>	<u>(3,243,795)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	160,403	-
Increase (decrease) in guarantee deposits	25,841	(34,184)
Repayment of the principal portion of lease liabilities	(66,816)	(60,562)
Cash dividends paid	(1,721,681)	(1,692,199)
Proceeds from exercise of employee share options	321,234	363,746
Partial disposal of interests in subsidiary without a loss of control	<u>22,488</u>	<u>-</u>
Net cash used in financing activities	<u>(1,258,531)</u>	<u>(1,423,199)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>(290,929)</u>	<u>996,577</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,249,268)</b>	<b>3,329,444</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>14,943,680</u>	<u>11,614,236</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 12,694,412</u>	<u>\$ 14,943,680</u>

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

(Concluded)



## Attachment 4

### Silergy Corp.

#### 2023 Earnings Distribution

	Unit: NT\$
<b>Unappropriated retained earnings of previous years</b>	<b>16,641,247,819</b>
Current period net income	746,003,421
Provision of special reserve	(383,665,209)
<b>Retained Earnings Available for Distribution as of December 31, 2023</b>	<b>17,003,586,031</b>
Actuarial gains and losses	(843,555)
Distributable Items	
Cash Dividend	(751,315,818)
<b>Unappropriated retained earnings</b>	<b>16,251,426,658</b>

## Attachment 5

### Comparison Table of Amendments to Procedures for Endorsements & Guarantees of Silergy Corp. (“the Company”)

Item Original Article	Proposal for the Amendment	Reason for Amendments
<p>(II) Subject of the endorsement warranty:</p> <p>3. Companies that directly and indirectly hold more than 50 per cent of the voting shares in the company.</p> <p>4. An intercompany endorsement guarantee may be made by a company in which the Company directly and indirectly holds 90 percent or more of the voting shares, and the amount of the endorsement guarantee shall not exceed 10 percent of the Company's net worth. However, the endorsement and guarantee between companies in which the Company directly and indirectly holds 100 percent of the voting shares shall not be subject to this limitation.</p>	<p>(II) Subject of the endorsement warranty:</p> <p>3. Companies that directly and indirectly hold more than 50 percent of the voting shares in the <u>Company</u>.</p> <p>4. An intercompany endorsement guarantee may be made by a company in which the Company directly and indirectly holds 90 percent or more of the voting shares,<del> and the amount of the endorsement guarantee shall not exceed 10 per cent of the Company's net worth. However, the endorsement and guarantee between companies in which the Company directly and indirectly holds 100 per cent of the voting shares shall not be subject to this limitation.</del></p>	<p>Modify the description to make the procedures definition clearly.</p> <p>Item adjustment to Procedure (III) 2.</p>
<p>(III) Amount of endorsement guarantee:</p> <p>1. The total endorsement and guarantee amount of the Company, the Company and its subsidiaries shall not exceed 50% of the current net worth. The endorsement and guarantee amount for a single enterprise shall not exceed 20% of the current net worth.</p>	<p>(III) Amount of endorsement guarantee:</p> <p>1. The total endorsement and guarantee amount of the Company, the Company and its subsidiaries shall not exceed <del>50%</del><u>100%</u> of the <u>Company's</u> current net worth. The endorsement and guarantee amount for a single enterprise shall not exceed <del>20%</del><u>30%</u> of the <u>Company's</u> current net worth. <u><b>Subsidiaries which are wholly-owned by the Company, whether directly or indirectly, are not subject to the aforementioned limitations on the endorsement/guarantee limit for individual enterprises and the net worth limit for the endorsed/guaranteed company. The endorsement/guarantee limit for</b></u></p>	<p>The target and limit of endorsement/ guarantee will be determined in accordance with actual needs.</p>

Item Original Article	Proposal for the Amendment	Reason for Amendments
<p>2. The total endorsement and guarantee amount between companies in which the Company directly and indirectly holds 90% or more of the voting shares shall not exceed 10% of the net worth of the current period. However, the endorsement and guarantee between companies in which the Company directly and indirectly holds 100% of the voting shares shall not be subject to this limitation.</p>	<p><b><u>individual enterprises shall not exceed 50% of the Company's net worth, and the total endorsement/guarantee limit shall not exceed 100% of the Company's net worth.</u></b></p> <p>2. The total endorsement and guarantee amount between companies in which the Company directly and indirectly holds 90% or more of the voting shares shall not exceed 10% of the net worth of the current period <b><u>of the Company.</u></b> However, the endorsement and guarantee between companies in which the Company directly and indirectly holds 100% of the voting shares shall not be subject to this limitation. <b><u>But the endorsement/guarantee limit for individual enterprises shall not exceed 50% of the Company's net worth, and the total endorsement/guarantee limit shall not exceed 100% of the Company's net worth.</u></b></p>	<p>Modify the description to make the procedures definition clearly.</p>

## Attachment 6

# Silergy Corp. 2024 Employee Restricted Shares Plan

### 1. Purpose

The Employee Restricted Shares Plan (the “**Plan**”) is adopted for the purposes of attracting and retaining professionals needed by the Company, incentivizing employees and augmenting the employees’ loyalty to jointly create the interest of the Company and its shareholders.

### 2. Issue Period

Within one (1) year of the date on which the Company receives the notification indicating that the registration filed by the Company has become effective from the competent authority, the Company may issue the restricted shares contemplated hereunder (the “**Restricted Shares**”) in one or more tranches depending on the actual needs and the chairman (the “**Chairman**”) of the board of directors (the “**Board**”) is authorized by the Board to determine the actual date(s) on which the Restricted Shares are issued (the “**Grant Date**”).

### 3. Eligible Employees

3.1 Full-time employees of the Company, its domestic and foreign subsidiaries and the affiliates (in accordance with the regulations issued by the Financial Supervisory Commission, document No.1070121068)

3.2 The Chairman shall determine the employees who are to be granted the Restricted Shares and the number of Restricted Shares to be granted after taking into consideration factors including but not limited to work experience, seniority, grade, job performance and overall contribution or special achievements of the employees, subject to Section 5.2 hereof, and then submit his determination to the Board for approval. However, the salary and remuneration committee must first give approval for an employee who is also a managerial officer or a director who is also an employee.

3.3 The accumulative number of shares an employee can subscribe for by exercising the employee stock options granted to him/her under Article 56-1, paragraph 1 of the Criteria Governing the Offering and Issuance of Securities by Securities Issuers, in combination with the accumulative number of Restricted Shares granted to such employee, shall not exceed 0.3% of the total issued shares of the Company. And the above in combination with the accumulative number of shares such employee can subscribe for by exercising the stock options granted under Article 56, paragraph 1, shall not exceed 1% of the total issued shares of the Company.

### 4. Total Number of the Restricted Shares to be Issued

The total number of Restricted Shares to be issued hereunder shall be 500,000 shares with a face value of NT\$ 2.5 per share and the total amount shall be NT\$ 1,250,000.

### 5. Terms and Conditions of the Restricted Shares Awards

5.1 Issue Price and Vesting Schedule: The Restricted Shares shall be issued at NT\$ 0 per share, and the total number of Restricted Shares to be issued is 500,000 shares.

- 5.2 Vesting conditions shall be divided into Category A and Category B:
- 5.2.1 Category A: 300,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries for 2 years since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.
- 5.2.2 Category B: 200,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries for 3 years since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.
- 5.2.3 The company business objectives for Category A and Category B shall be that the Company's revenue in 2025 increases by over 120%(including) compared to 2024.
- 5.3 Types of Shares: The shares underlying the Restricted Shares shall be the common shares of the Company. Except Section 5.7 hereof, the rights and obligations applicable to the Restricted Shares shall be the same as that to the Company's outstanding common shares.
- 5.4 Methods to Handle the Unvested Restricted Shares Awards
- 5.4.1 For the employees who voluntarily terminate, are discharged, are severed or temporarily leave without pay, all unvested Restricted Shares held by such employees as of their termination shall be forfeited by the Company without consideration.
- 5.4.2 The employees holding unvested Restricted Shares are entitled to the rights to participate in stock dividends distribution but are not entitled to the rights to participate in cash dividends distribution, the preemptive rights to subscribe for new shares issued for capital increase and the rights to vote.
- 5.4.3 The employees who breach Section 5.8 hereof by terminating or rescinding the delegation to the Company under such provision, all unvested Restricted Shares held by such employees shall be forfeited by the Company without consideration.
- 5.4.4 All unvested Restricted Shares will be forfeited and canceled by the Company without consideration in accordance with the Plan.
- 5.4.5 In the event that the Restricted Shares are vested during the statutory period regarding the closure of the Company's shareholders' register as required by relevant laws and regulations and the period from 15 business days as announce by the Company to close Company's shareholders' register for distribution of the free stock dividends, distribution of cash dividends or subscription for the new issued shares to the record date of rights distribution, or the period from the record date of capital reduction to the day immediately prior to the trading date after shares have been replaced and reissued, the employees of such vested Restricted Shares are not entitled to the rights to vote, the preemptive right to subscribe for new issued shares and the rights to participate in cash dividends distribution during such periods.

## 5.5 Methods to Handle the Unvested Restricted Shares in the Following Conditions:

5.5.1 Retirement: The Company shall forfeit all unvested Restricted Shares held by the retired employees without consideration.

### 5.5.2 Position Transfer among affiliated companies:

The rights and obligations of the employees holding unvested Restricted Shares shall be unchanged when such employees are designated and transferred to be employed by any affiliated companies of the Company for operation purposes.

### 5.5.3 Disability or Death Caused by Work Injury or Death

5.5.3.1 In the event that an employee is physically disabled and cannot continue his/her employment because of work injury, all Restricted Shares held by him/her shall be vested upon his/her termination.

5.5.3.2 In the event that an employee dies because of work injury or not, all Restricted Shares held by him/her shall be vested upon his/her death. The heir(s) of such employee may apply to the Company for inheriting part of such Restricted Shares or the interest arising out of the disposition of such Restricted Shares after completing the statutory and necessary procedures pursuant to the applicable laws and regulations and provide relevant certificates with the Company.

5.6 The Company shall cancel all the forfeited Restricted Shares without consideration.

## 5.7 Restricted Rights of unvested Restricted Shares:

5.7.1 The employees shall not sell, pledge, transfer, give to others as a present, create encumbrance on or dispose in other way the unvested Restricted Shares until such Restricted Shares are vested.

5.7.2 The employees holding unvested Restricted Shares are entitled to the rights to participate in shares dividends distribution but are not entitled to the rights to participate in cash dividends distribution, the preemptive rights to subscribe for the new shares issued for cash capital increase and the rights to vote.

5.7.3 After the Grant Date, the employees shall put all the Restricted Shares granted to them into a trust or an escrow immediately, and shall not ask the trustee or escrow bank to return the trusted or escrowed Restricted Shares before such Restricted Shares are vested.

## 5.8 Others

During the period that the Restricted Shares are trusted or escrowed, the Company is entitled to negotiate, execute, revise, extend, rescind, and terminate the trust or escrow agreement on behalf of all employees holding the trusted or escrowed Restricted Shares and has the right to deliver, use and dispose the trusted or escrowed Restricted Shares.

## 6. Confidentiality

Employees granted Restricted Shares shall abide by the rules of confidentiality and shall not disclose any and all information relating to the contents and the number of Restricted Shares granted unless otherwise requested by laws and regulations or the competent authorities. If any breach of the confidentiality obligation by such employees is considered material by the Company, such employees shall lose the right to be granted Restricted Shares simultaneously, and the Company may forfeit and cancel the unvested Restricted Shares held by them without

consideration.

7. Tax

Any tax incurred from the grant of Restricted Shares under this Plan shall be governed by applicable R.O.C. laws and regulations.

8. Miscellaneous

8.1 This Plan shall take effect upon approval by the Board. Any revision to this Plan is necessary pursuant to the amendment of laws and regulations, the request of competent authority or the change of business environment, the Board shall authorize the Chairman to determine and make such revision and then submit such revision to the Board for approval before the issuance of Restricted Shares under the revised plan.

8.2 Before the Restricted Shares are vested, the employees holding such Restricted Shares shall delegate trust and escrow institutions or escrow bank to exercise the rights to attend general meetings, to give proposals, to make a speech in general meetings and other shareholders' rights under such unvested Restricted Shares on their behalf.

8.3 Matters not provided in this Plan shall be governed by the relevant laws and regulations.

## Appendix 1

### Silergy Corp. Shareholdings of All Directors

Record Date : April 1<sup>st</sup> , 2024

Title	Name	Current Shareholding	
		shares	%
Chairman	Wei Chen	27,924,560	7.25
Director	Budong You	14,978,084	3.89
Director	Jiun-huei Shih	0	-
Director	Sophia Tong	0	-
Director	Bing Xie	0	-
Independent Director	Yong-Song Tsai	0	-
Independent Director	Henry King	0	-
Independent Director	Jet Tsai	0	-
Total shareholdings of all Directors (excluding Independent Directors)		42,902,644	11.14

Note 1: Total shares issued as of 4/1/2024: 384,963,292 Common Shares.

Note 2: The requirements of the Securities and Exchange Act, the minimum shareholding requirements for directors and supervisors: 30,797,063 shares.



## Appendix 2

### Silergy Corp.

#### Rules and Procedures for Shareholders' Meetings

##### 1. Purpose

These Regulations have been stipulated to facilitate compliance so as to establish an excellent governance system, proper supervisory functions, and to strengthen management mechanisms for shareholders' meetings of this Company.

##### 2. Scope

Rules of procedure for shareholders' meetings of this Company shall comply with the provisions of these Regulations unless otherwise provided in other laws or the Articles of Association.

##### 3. Responsibilities

Unless otherwise provided in other laws, shareholders' meetings of this Company shall be convened by the Board of Directors.

##### 4. Operations

###### (1) Meeting notification, call to meeting, and proposals

1. Unless otherwise provided in other laws, shareholders' meetings of this Company shall be convened by the Board of Directors. Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.
2. This Company shall generate, 30 days before the convening of an annual shareholders' meeting or 15 days before a provisional shareholders' meeting, electronic files of the call to meeting notification, letter of attorney, and case and descriptive information of relevant ratifications, discussions, voting, or dismissal of the directors, and other motions and upload said electronic files to the Market Observation Post System (MOPS). This Company shall generate, 21 days before the convening of the annual shareholders' meeting or 15 days before the provisional shareholders' meeting, electronic files of the shareholders' meeting agenda and supplemental meeting materials and upload said electronic files to the MOPS. This Company shall prepare, 15 days before the convening of the shareholders' meeting, shareholders' meeting agenda and supplemental meeting materials for the currently scheduled meeting for shareholder to access and to perusal at any time, provide said materials in this Company or the shareholding agency thereof, and distribute said materials at the actual location of the shareholders' meeting.
3. Meeting notification and announcement shall clearly state the cause for convening the meeting. Where a counterparty receiving the notification agrees, the notification and announcement may be delivered electronically.
4. A motion relating to the election or dismissal of directors, change of the Articles of Association, dissolution, merger, or demerger of the company, or any subparagraph of Article 185 Paragraph 1 of the Company Act, or Article 26-1 and Article 43-6 of the Securities and Exchange Act must be listed in the reasons for convening a shareholders' meeting and may not be listed under extempore motions.
5. Any shareholder holding more than one (1) percent of the issued shares may submit a motion via correspondence to this Company for the annual shareholders' meeting. However, only up to one (1) motion may be accepted. Any additional motions

proposed will not be included in the agenda. For a motion proposed by a shareholder that meets any of the circumstances provided in any subparagraph of Article 172-1 Paragraph 4 of the Company Act, the Board of Directors may choose not to list the motion in the agenda.

6. This Company shall announce, prior to the book closure date for share transfer before the date for the annual shareholders' meeting, the handling of shareholder motions, the responsible organization and period of the handling, wherein the handling period may not be less than ten (10) days.
7. A motion proposed by the shareholder must be within 300 characters in length. A motion that exceeds the 300-character length limit shall not be listed in the agenda. The shareholder proposing a motion shall attend the annual shareholders' meeting personally or provide a letter of attorney for another person to attend in his/her place, and participate in the discussions for said motion.
8. This Company shall notify, prior to the shareholders' meeting notification date, results for the motions handled to the proposing shareholder, and list motions that comply with the provisions of this Article in the meeting notice. For shareholder motions that have not been listed, the Board of Directors shall provide the reasons for not listing said motions during the shareholders' meeting.

(2) Letter of attorney

1. A shareholder may provide, for any shareholders' meeting, a letter of attorney printed and issued by this Company to state the scope of authorization and commission an agent to attend the shareholders' meeting on said shareholder's behalf.
2. A shareholder may provide one letter of attorney, and commission up to one agent. The letter of attorney shall be delivered to the Company 5 days before the date of the shareholders' meeting. Where multiple letters of attorney were received, the first letter received shall prevail. However, this restriction does not apply if a subsequent letter of attorney states the rescinding of an earlier letter.
3. Where a shareholder intends to personally attend the shareholders' meeting or exercised voting rights by correspondence or electronic means after delivering a letter of attorney to this Company, the shareholder shall provide, two (2) days before the date of the shareholders' meeting, a printed notification to this Company for rescinding said letter of attorney. Where the period for rescinding the letter of attorney has expired, the voting right exercised by the commissioned agent attending the meeting shall prevail.

(3) Meeting location and time

The place of the shareholders' meeting shall be at a location easily accessible by the shareholders and facilitates the convening of the shareholders' meeting. The starting time of the meeting may not be earlier than 9:00 a.m. or later than 3:00 p.m., and meeting location and time shall fully consider the opinions of the independent directors. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

(4) Meeting attendance, material preparation, and verification of identity

1. This Company shall clearly state, on the meeting notice, the time for handling shareholder registration, the location of the registration area, and other reminders.
2. The aforementioned time for handling shareholder registration shall be at least 30 minutes prior to the start of the shareholders' meeting. The registration area shall be

clearly labeled and staffed with enough competent personnel to handle registration affairs.

3. A shareholder attending the meeting in person or a commissioned agent attending on behalf of a shareholder (hereinafter referred to as “shareholders”) shall provide an attendance pass, attendance sign-in card, or other form of attendance identification document to attend the shareholders’ meeting. A solicitor soliciting a letter of attorney shall also provide a personal identification document for verification.
  4. This Company shall provide a sign-in sheet for the attending shareholders to sign-in, or have the attending shareholders submit a sign-in card to serve as the act of signing-in.
  5. This Company shall provide the meeting agenda, annual report, attendance pass, speaker’s slip, voting slips, and other meeting information to shareholders attending the shareholders’ meeting. Voting tickets shall also be attached if the meeting includes director or supervisor elections.
  6. Where the shareholder is a government agency or juristic person, the representatives attending the shareholders’ meeting shall not be restricted to one (1) person. Where a commissioned juristic person attends the shareholders’ meeting, the juristic person may dispatch only one (1) person to attend.
- (5) Meeting convener and regular attendants
1. Where the shareholders’ meeting is convened by the Board of Directors, the shareholders’ meeting shall be chaired by the Chairman of the Board. Where the Chairman of the Board is on leave or, for any cause, unable to exercise his/her power or authority, the Vice Chairman of the Board shall act in his/her stead. Where there is no Vice Chairman of the Board or where the Vice Chairman of the Board is also on leave or, for any cause, unable to exercise his/her power or authority, the Chairman of the Board may appoint one (1) managing director to act on his/her behalf; where the company has no managing director, then the Chairman may appoint one (1) director to act as the agent. Where the Chairman of the Board has not appointed an agent, then the managing director or directors shall elect one (1) director amongst themselves to chair the meeting.
  2. Where the meeting is to be chaired by a managing director or director acting as an agent as described in the preceding paragraph, then choose a managing director or director with a tenure of least six (6) months with this Company and has an understanding of the corporate financial operations and conditions. The same restrictions shall apply where the meeting is chaired by a representative of juristic person director.
  3. For a shareholders’ meeting convened by the Board of Directors, it is preferable for more than half of the directors of the Board of Directors to attend the meeting.
  4. Where the convener of a shareholders’ meeting is another convener with convening rights not of the Board of Directors, the meeting shall be chaired by said convener. Where there are two (2) or more conveners, the conveners shall elect one (1) person amongst themselves to chair the meeting.
  5. This Company may appoint a commissioned lawyer, CPA, or relevant personnel to attend the shareholders’ meeting.

(6) Meeting process and preservation of information

1. This Company shall provide, upon handling shareholder registration, a continuous and uninterrupted sound and video recording of the entire process of the shareholders' meeting starting from the shareholder registration, the meeting process, to the voting and vote counting process.
2. The aforementioned sound and video recording shall be retained for at least one (1) year. However, where a shareholder has initiated a litigation in accordance with Article 189 of the Company Act, said sound and video recording shall be retained until said litigation ends.

(7) Exercising of voting rights, calling the meeting to order, and tentative resolutions

1. Attendance of shareholders' meetings shall be calculated according to the share of stock held. The share of stock attending the meeting shall be based upon the share of stock indicated by the sign-in sheet or sign-in card submitted plus the number of shares represented by exercised voting rights exercised by correspondence or electronic means.
2. At the meeting starting time, the Chairman of the meeting shall call the meeting to order. However, where attending shareholders represent less than half of the total amount of issued shares, the Chairman may postpone the meeting up to two (2) times. The total lengths of the postponement may not exceed one (1) hour. If the attending shareholders represent less than one-third of the total amount of issued shares after two (2) postponements, the Chairman may announce the adjournment of the meeting.
3. In the case that attending shareholders represent less than half but more than one-third of the total amount of issued shares after two (2) postponements as described above, then a tentative resolution may be established pursuant to Article 175 paragraph 1 of the Company Act. All shareholders shall be notified of the tentative resolution and be reminded that another shareholders' meeting shall be convened within one (1) month.
4. Where the attending shareholders represent more than half of the total amount of issued shares before the adjournment of a current meeting session, the Chairman may re-submit an established tentative resolution to the shareholders' meeting for resolution pursuant to the provisions of Article 174 of the Company Act.

(8) Meeting agenda

1. Where the shareholders' meeting is convened by the Board of Directors, the Board of Directors shall stipulate the meeting agenda. The meeting shall be implemented according to the arranged agenda and may not be changed unless resolved upon and approved by the shareholders' meeting.
2. Where the shareholders' meeting is convened by another convener with convening right other than the Board of Directors, the aforementioned restriction shall apply *mutatis mutandis*.
3. Where the arranged meeting agenda (including extempore motions) in items 1. and 2. has not been concluded, the Chairman may not unilaterally announce the adjournment of the meeting. Where the Chairman announces the adjournment of the meeting in violation of the rules of procedure, other members of the Board of Directors shall immediately assist the attending shareholders to refer to legally permitted procedures and vote for one (1) person to act as the meeting Chairman with the support of the majority of the voting rights attending the meeting, and resume the meeting.

4. For an amendment or extempore motion proposed by a shareholder, the chairman shall provide said shareholder an adequate opportunity for comprehensive description and discussion, and may announce, once the chairman believes the discussion has progressed to the point that it can be voted upon, cessation of the discussions and move said amendment or motion into voting.

(9) Speaking rules

1. Before an attending shareholder is allowed to speak, the speaker's slip must be completed to clearly state the purpose of the speech as well as the account number (or serial number of the attending pass) and account name of the shareholder. The chairman shall determine the order of shareholder speeches.
2. An attending shareholder who submitted a speaker's slip but failed to speak shall be regarded as not having spoken in the meeting. Where the contents of the speaker's slip differ from the contents of the actual speech, the contents of the actual speech shall prevail.
3. For the same motion, each shareholder may not speak more than two (2) times unless allowed by the chairman. Each speech may not exceed five (5) minutes. Where the shareholder's speech violates the rules or goes beyond the scope of the topic, the chairman may stop the shareholder's speech.
4. Where an attending shareholder is giving a speech, other shareholders may not interrupt the speaking shareholder unless allowed by the chairman and the speaking shareholder. Violators to this rule shall be stopped by the chairman.
5. Where a juristic person shareholder sends two (2) or more representatives to attend the shareholders' meeting, only one (1) person may speak of the same motion.
6. After an attending shareholder finishes his/her speech, the chairman may personally respond or appoint relevant personnel to provide a response.
7. Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

(10) Restrictions on the exercising of voting power

1. Voting calculations in shareholders' meetings shall be based upon the share of stock held.
2. For shareholder resolutions, the number of shares without voting rights shall not be counted towards the total number of issued shares.
3. Where a shareholder has a personal conflict of interest and may harm the interests of this Company, said shareholder may not participate in the voting, and may not commission other shareholders to vote on his/her behalf.
4. The number of shares represented by the voting right that cannot be exercised pursuant to the aforementioned item shall not be counted towards the voting powers of the attending shareholders.
5. With the exception of a trust company or a shareholding agency approved by the competent authorities in charge of securities affairs, where one (1) person is commissioned by two (2) or more shareholders, the voting power to be exercised by said person shall not exceed three percent (3%) of the total voting rights of issued shares. Any voting right exceeding this limit shall not be counted.

(11) Exercising of voting power

1. Each share held by the shareholder grants one (1) unit of voting power. However, this rule does not apply to shares with no voting rights due to restrictions or pursuant to Article 179 Paragraph 2 of the Company Act.
2. When this Company convenes a shareholders' meeting, voting rights may be exercised by correspondence or electronic means (for a company required to adopt the use of electronic voting pursuant to Article 177-1 Paragraph 1 of the Company Act: when this Company convenes a shareholders' meeting, this Company shall adopt electronic voting and may allow voting power to be exercised by correspondence); where voting right is exercised by correspondence or electronic means, the means of exercising said voting right shall be clearly stated in the shareholders' meeting notice. A shareholder who exercised voting rights by correspondence or electronic means shall be regarded to have personally attended the shareholders' meeting. However, the shareholder shall be regarded to have forfeited voting rights for extempore motions or for changes to the original motions. Hence, this Company shall avoid proposing extempore motions or changing the original motions.
3. For the exercising of voting rights by correspondence or electronic means as described in the preceding item, the declaration of intent shall be delivered to this Company two (2) days before the date of the shareholders' meeting. Where repeated declarations of intent have been sent, the first to be delivered shall prevail. However, this restriction does not apply if a subsequent declaration of intent states the rescinding of an earlier declaration.
4. A shareholder who already exercised voting rights by correspondence or electronic means but intends to attend the shareholders' meeting in person shall use, two (2) days before the shareholders' meeting, the same method for exercising voting rights to rescind a previous declaration of intent for exercising voting rights. If the time limit to rescind the declaration of intent expires, then voting rights exercised by correspondence or electronic means shall prevail. For a shareholder who has exercised voting rights by correspondence or electronic means and used a letter of attorney to commission an agent to attend the shareholders' meeting on his/her behalf, the voting power exercised by the attending agent shall prevail.
5. For voting upon a motion, unless otherwise provided by the Company Act or Articles of Association of this Company, the motion shall pass if supported the majority of the voting rights present at the shareholders' meeting. When voting, the chairman or personnel appointed thereby shall announce the total voting power of the attending shareholders for each motion, and then have the shareholders vote for each of the motions. The number of supporting, opposing, and forfeiting votes and voting results shall be entered into the MOPS on the same day that the shareholders' meeting was held.
6. Where the same motion is changed or has an alternative, the chairman shall combine them together with the original motion and determine the voting sequence thereof. However, if one of the motions has been passed, the others shall be regarded as being rejected, and no more voting shall be required.
7. The vote monitor and vote counter for votes on a motion shall be appointed by the chairman. However, the vote monitor must be a shareholder.

8. Vote counting for shareholders' meeting votes or elections shall be performed in an open area at the shareholders' meeting venue. Upon completion of vote counting, the results, including total voting power, shall be announced on the spot and recorded.
- (12) Rules for the election and appointment of directors
1. Where the shareholders' meeting includes elections of directors and supervisors, said election shall be implemented according to relevant rules for election and appointment stipulated by this Company. Election results, including the list of elected directors and supervisors and the votes acquired thereby, shall be announced on the spot.
  2. The aforementioned election votes shall be sealed and signed by the vote monitor and given proper safekeeping for at least one (1) year. However, where a shareholder has initiated a litigation in accordance with Article 189 of the Company Act, said votes shall be retained until said litigation ends.
- (13) Distribution and preservation of meeting minutes
1. Meeting minutes shall be generated for matters resolved upon during a shareholders' meeting. Said meeting minutes shall be signed or stamped by the meeting chairman and issued to various shareholders within twenty (20) days after the shareholders' meeting. The generation and distribution of meeting minutes may be implemented by electronic means.
  2. The aforementioned distribution of meeting minutes of this Company may be implemented by uploading and disclosure of the meeting minutes through the MOPS.
  3. Meeting minutes shall correctly record the year, month, day, venue, name of the chairman, method of adopting resolutions, summary of the essential points of the proceedings, and the results of the meeting, and shall be permanently retained for the entire lifetime of the company.
- (14) Calculating the number of shares solicited and represented in proxy, and disclosure of major resolutions
1. This Company shall generate, on the date of the shareholders' meeting, a table in a prescribed format for the number of shares obtained by solicitors through solicitation and number of shares represented by proxies, and shall clearly disclose said table at the place of the shareholders' meeting.
  2. For any shareholders' meeting resolution that relates to statutory regulations or to material information as specified by the Taiwan Stock Exchange Corporation (or Taipei Exchange), this Company shall transfer, within the specified time limit, said resolution to the MOPS.
- (15) Order in the place of shareholders' meeting
1. Personnel responsible for handling shareholders' meeting affairs shall wear an identification pass or arm band.
  2. The chairman may command proctors or security personnel to help maintain order at the place of the shareholders' meeting. A proctor or security personnel present at the meeting place to maintain order shall wear arm bands or identification pass printed with the word "proctor".
  3. For a shareholders' meeting place provided with loudspeaker systems, a chairman may stop a shareholder attempting to speak using equipment not provided by this Company.

4. A chairman may command the proctors or security personnel to ask a shareholder to leave the shareholders' meeting place if said shareholder violates meeting regulations and refuse to be corrected by the chairman.

(16) Continuation of the meeting

1. While the meeting is in session, the chairman may refer to the time and announce a recess. In case of a force majeure event, the chairman may rule to temporarily suspend the meeting and announce the time for continuing the meeting according to the situation.
  2. In the event that the shareholders' meeting place can no longer be used prior to the resolution of motions (including extempore motions) arranged in the shareholders' meeting agenda, the shareholders' meeting may resolve to find another place to continue the meeting.
  3. The shareholders' meeting may resolve to postpone the meeting for a period of no more than five (5) days or continue the meeting pursuant to the provisions of Article 182 of the Company Act.
5. These Regulations shall enter into force once approved by the shareholders' meeting. The same rule shall apply to amendments of these Regulations.



## Appendix 3

**THE COMPANIES ACT (REVISED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**SILERGY CORP.**

(Adopted by Special Resolution passed on May 26th, 2023)

1. The name of the Company is Silergy Corp. (the "**Company**").
2. The registered office of the Company will be situated at the registered office of Portcullis TrustNet (Cayman) Ltd., The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted.  
  
The Company have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act of the Cayman Islands (Revised) (the "**Law**").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is NT\$2,000,000,000 divided into 800,000,000 Common Shares of a nominal or par value of NT\$2.5 each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
8. The Company may exercise the power contained in Section 206 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

**THE COMPANIES ACT (REVISED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**SILERGY CORP.**

(Adopted by Special Resolution passed on May 26<sup>th</sup>, 2023)

**TABLE A**

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to Silergy Corp. (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

**INTERPRETATION**

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

**"Affiliated Company"** means with respect to any affiliated company as defined in the Applicable Listing Rules;

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

**"Articles"** means these articles of association of the Company, as amended from time to time;

**"Audit Committee"** means the audit committee of the Company constituted pursuant to Article 118 hereof, or any successor audit committee;

**"Book-Entry Transfer"** means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall be recorded in the entry sub-account under the Company's account with the securities central depository in Taiwan;

**"Capital Reserves"** means the share premium account, income from endowments received by the Company, capital redemption reserve, profit and loss account and other reserves generated in accordance with generally accepted accounting principles.

**"Chairman"** has the meaning given thereto in Article 82;

**"Class"** or **"Classes"** means any class or classes of Shares as may from time to time be issued by the Company;

**"Commission"** means Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;

**"Common Share"** means an ordinary share in the capital of the Company of NT\$2.5 nominal or par value issued subject to and in accordance with the provisions of the Law and these Articles, and having the rights and being subject to restrictions as provided for under these Articles with respect to such Share;

**"Directors"** and **"Board of Directors"** and **"Board"** means the board of directors of the Company appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;

**"Dissenting Member"** has the meaning given thereto in Article 34;

**"Delisting"** means (a) the delisting of the Shares registered or listed on any Taiwan stock exchange or securities market as a result of a Merger in which the Company will dissolve, general assumption (as defined in the Applicable Listing Rules), Share Swap or Spin-off; and (b) the shares of the surviving company in the Merger, the transferee company in the general assumption or the existing company or newly-incorporated company in the Share Swap or Spin-off will not be registered or listed on any Taiwan stock exchange or securities market;

**"electronic"** shall have the meaning given to it in the Electronic Transactions Act (Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

**"electronic communication"** means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;

**"Emerging Market"** means the emerging market board of the Taipei Exchange in Taiwan;

**"Family Relationship within Second Degree of Kinship"** in respect of a natural person, means another natural person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include but not limited to the parents, siblings, grandparents, children and grandchildren of the first person as well as the first person's spouse's parents, siblings and grandparents;

**"Guidelines Governing Election of Directors"** means guidelines governing election of Directors of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

**"Indemnified Person"** has the meaning given thereto in Article 152;

**"Independent Director"** means a director who is an independent director as defined in the Applicable Listing Rules;

**"Law"** means the Companies Act (Revised) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;

**"Legal Reserves"** the legal reserve allocated in accordance with the Applicable Listing Rules;

**"Memorandum of Association"** means the memorandum of association of the Company, as amended from time to time;

**"Merger"** means:

- (a) a "merger" or "consolidation" as defined under the Law; or
- (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Listing Rules;

**"MOEA"** means Ministry of Economic Affairs of Taiwan being administering the Company Act of Taiwan and relevant corporate matters in Taiwan;

"**Office**" means the registered office of the Company for the time being;

"**Ordinary Resolution**" means a resolution passed by a simple majority of votes cast by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company;

"**paid up**" means paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

"**preferred Shares**" has the meaning given thereto in Article 10;

"**Procedural Rules of Board Meetings**" means procedural rules of the Board meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"**Procedural Rules of General Meetings**" means procedural rules of the general meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"**Register**" or "**Register of Members**" means the register of Members of the Company maintained in accordance with the Law;

"**Republic of China**" or "**Taiwan**" means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"**Retained Earnings**" means the sums including but not limited to the Legal Reserves, Special Reserves, and unappropriated earnings;

"**Rules of Audit Committee**" means rules of the Audit Committee, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"**Seal**" means the common seal of the Company (if adopted) including any one or more duplicate seals, for use in the Cayman Islands or in any place outside the Cayman Islands;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company and includes any deputy or assistant secretary;

"**Share**" means 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 Swap**" means a 100% share swap as defined in the Taiwan Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;

"**Shareholder**" or "**Member**" means a Person who is registered as the holder of Shares in the Register;

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Law;

"**Shareholders' Service Agent**" means the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

**"signed"** means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

**"Special Reserves"** means the reserve allocated from Retained Earnings in accordance with the Applicable Listing Rules or resolutions of the Company in general meetings;

**"Special Resolution"** means a resolution passed by a majority of at least two-thirds (2/3) of the votes cast by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given (and for the avoidance of doubt, unanimity qualifies as a majority);

**"Spin-off"** means a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;;

**"Supermajority Resolution"** means a resolution passed by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding more than half of the total number of Shares held by all Shareholders present at that meeting, and such meeting attended by Shareholders holding in aggregate not less than two-thirds (2/3) of total number of issued Shares of the Company. However, in the case where the Shareholders present at such general meeting hold in aggregate less than two-thirds (2/3) of total number of issued Shares of the Company but more than half of the total number of issued Shares of the Company, "Supermajority Resolution" shall instead mean a resolution passed by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the total number of Shares held by all Shareholders present at such meeting;

**"Supermajority Special Resolution"** means a Special Resolution approved by the Shareholders holding at least two-thirds (2/3) of the Shares in issue at the time of the general meeting;

**"Taipei Exchange"** means the Taipei Exchange in Taiwan;

**"Treasury Shares"** means Shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and not cancelled, in accordance with these Articles, the Law and the Applicable Listing Rules; and

**"TSE"** means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

- (e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case;
  - (f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one (1) and partly another;
  - (g) references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not; and
  - (h) references to time of day and date shall be to the time and date in Taiwan.
3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **PRELIMINARY**

4. The business of the Company may be commenced at any time after incorporation.
5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Board of Directors shall keep, or cause to be kept, the Register which may be kept in or outside the Cayman Islands at such place as the Board of Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

#### **SHARES**

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :
- (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and conditions and having such rights and being subject to such restrictions as they may from time to time determine; and
  - (b) issue and grant options, with respect to such Shares and issue warrants or similar instruments and other rights, renounceable or otherwise, in respect of Shares; and may reserve a number of 80,000,000 unissued Shares for the purpose of issue of employee stock warrants.

provided that no Share shall be issued at a discount except in accordance with the Law.

8A

The Company may, as permitted by the Applicable Listing Rules and upon resolution adopted by Shareholders holding not less than two-thirds of total number of Shares held by all Shareholders present at a general meeting, attended by Shareholders holding in aggregate a majority of total numbers of issued shares of the Company, issue employee stock warrants with the exercise price lower than the closing price of the Shares as of the issuing date.



9. The Company may, with the authority of a Supermajority Resolution, issue restricted Shares for the employees of the Company and/or any Subsidiaries of the Company who are determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards). The terms and conditions of issue of such restricted Shares, including but not limited to the number of shares to be issued, issue price, issue terms and other matters shall be subject to the Applicable Listing Rules and the requirements of the Commission.
10. The Company may issue Shares with rights which are preferential 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 (2/3) or more of the total number of the Directors for the time being and with the approval of the Shareholders in general meeting by a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:
  - (a) number of preferred Shares issued by the Company and the number of preferred Shares the Company is authorized to issue;
  - (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on preferred Shares;
  - (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of a holder of preferred Shares;
  - (e) other matters concerning rights and obligations incidental to preferred Shares; and
  - (f) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.
11. The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors for the time being. The issue of new Shares shall at all times be subject to the sufficiency of the authorized but unissued capital of the Company.
12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
13. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, in respect of each proposed issuance of new Shares, the Directors may, before issuance of any new Shares, allocate and offer not more than fifteen percent (15%) of the new shares for subscription by the employees of the Company and/or any Subsidiaries of the Company who are determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
14. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided herein, in the Applicable Listing Rules or resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Shares, the Company shall, after allocating the portion of such new Shares for subscription by the employees of the Company and/or any Subsidiaries of the Company pursuant to Article 13 (as the case may be) and for public offering in Taiwan pursuant to Article 16, the remaining new Shares to be issued shall then be first offered by public announcement and a written notice to each Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The announcement and notice shall state the procedures for exercising such pre-emptive rights. In no event shall the

subscription right in this Article be transferred to any third parties. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one (1) or more new whole Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public offering or for subscription by specific person or persons through negotiation.

If any person who has subscribed the new Shares fails to pay when due the subscription price in full within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the Shares that remain unsubscribed shall be offered for subscription in such manner as is consistent with the Applicable Listing Rules.

15. The employees' pre-emptive right under Article 13 and the Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
- (a) in connection with a Merger with another company, Share Swap, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;
  - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
  - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares.
16. (a) For so long as;
- (i) the Shares are registered in the Emerging Market, unless otherwise provided in the Applicable Listing Rules, where the Company proposes to increase its capital by issuing new Shares in Taiwan, the Company may allocate ten percent (10%) of the total number of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering; or
  - (ii) the Shares are listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, where the Company proposes to increase its capital by issuing new Shares in Taiwan, the Company shall allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering;
- provided however in each case, if a percentage higher than the aforementioned ten percent (10%) is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.
- (b) For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, the Company shall obtain a prior approval of the Commission and/or other competent authorities for any issuance of new Shares) (whether inside Taiwan or outside Taiwan)



in accordance with the Applicable Listing Rules.

17. Subject to the Applicable Listing Rules, the Company may, upon a resolution passed by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors for the time being, adopt one (1) or more employee incentive programmes (such as employee stock option plan) pursuant to which options, warrants, or other similar instruments to subscribe for Shares may be granted to employees of the Company and/or any Subsidiaries of the Company. The options, warrants, or other similar instruments to subscribe for Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).

#### **PRIVATE PLACEMENT**

- 17A. Subject to the Applicable Listing Rules, the Company may by a resolution passed by at least two-thirds (2/3) of votes cast by Shareholders present at the general meeting with a quorum of more than half of the total number of the issued Shares at the general meeting carry out private placement of its securities to the following entities in Taiwan:
- (a) banking enterprises, bill enterprises, trust enterprises, insurance enterprises, securities enterprises or any other legal entities or institutions approved by the Commission;
  - (b) individuals, legal entities or funds meeting the qualifications established by the Commission; and
  - (c) Directors, supervisors (if any) and managers of the Company or the Affiliated Companies.

Subject to the Applicable Listing Rules, a private placement of ordinary corporate bonds may be carried out in instalments within one (1) year of the date of the relevant resolution of the Board of Directors approving such private placement.

#### **MODIFICATION OF RIGHTS**

18. If, at any time, the share capital of the Company is divided into different Classes, the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class), whether or not the Company is being wound-up, be varied or abrogated (including but not limited to the circumstances where there is any amendment to these Articles which may be prejudicial to the rights of the holders of any Class of Shares) by a Special Resolution passed at a separate meeting of the holders of Shares of that Class of Shares.

To every such separate Class meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one (1) or more Persons at least holding or representing by proxy one-half (1/2) in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one (1) vote for each Share of the Class held by him.

19. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied 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.

## SHARE CERTIFICATES

20. The Company shall deliver Shares to the subscribers of new Shares by way of a Book-Entry Transfer within thirty (30) days from the date the Shares become issuable pursuant to the Applicable Listing Rules and the Company shall make a public announcement prior to the delivery of such Shares. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Company may issue the Shares in scriptless form provided that the Company shall register with the securities central depository in Taiwan. No Person shall be entitled to a share certificate for any or all of his/her Shares, unless the Directors shall determine otherwise.

## FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue Shares in fractional denominations and to deal with such fractions to the same extent as its whole Shares and Shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole Shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

## TRANSFER OF SHARES

22. Title to Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be evidenced and transferred in accordance with the Applicable Listing Rules. Subject to the Applicable Listing Rules, the Law and Article 40D, Shares issued by the Company shall be freely transferable, provided that any Shares allocated for issuance to the employees of the Company may be subject to transfer restrictions for a period of not more than two (2) years as the Directors may agree with such employees.

Subject to the Law and notwithstanding anything to the contrary in these Articles, Shares that are listed or admitted to trading on an approved stock exchange (which is defined in the Law including the Taipei Exchange and the TSE) may be evidenced and transferred in accordance with the rules and regulations of such exchange.

23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve or the form required by the Taipei Exchange or TSE (for so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE) and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect of the said Shares. The Register of Members maintained by the Company in respect of the Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be kept by recording the particulars required under the Law in a form otherwise than legible provided such recording otherwise complies with the laws applicable to the Emerging Market, Taipei Exchange or TSE, as the case may be, and the Applicable Listing Rules. To the extent the Register of Members is kept in a form otherwise than legible it must be capable of being reproduced in a legible form.
24. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one (1) class of Shares;
  - (c) the instrument of transfer is properly stamped, if required; and

- (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four (4).

This Article is not applicable during the period that the Shares are registered in the Emerging Market or listed in Taipei Exchange or TSE.

25. The registration of transfers may be suspended when the Register is closed in accordance with Article 41.
26. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

### **TRANSMISSION OF SHARES**

27. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.
28. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, but the Directors shall, in either case, have the same right to decline or suspend registration, and for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, decline or suspend registration in accordance with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules, as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
29. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with. Notwithstanding the above, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Directors shall comply with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules.

### **ALTERATION OF SHARE CAPITAL**

30. Subject to the Law, the Company may from time to time by Special Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe;

Subject to the Law, the Company may from time to time by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
- (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

- (c) subdivide its Shares, or any of them into Shares of a smaller amount than that fixed by the Memorandum; and
  - (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
- 30A. The Company may from time to time by Special Resolution, subject to any confirmation or consent required by the Law, reduce its share capital or capital redemption reserve or other undistributable reserve in any manner permitted by the Law.

#### **VOTING ON RESOLUTION**

31. The Company may by Special Resolution:
- (a) change its name; and
  - (b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law.

For the avoidance of doubt, in case a Merger is a Delisting, Article 33A shall apply.

32. The Company may also by Supermajority Resolution:
- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
  - (b) transfer the whole or any material part of its business or assets;
  - (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (d) effect any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or Spin-off of the Company in accordance with the Applicable Listing Rules;
  - (e) acquire or transfer assets and liabilities by way of general assumption or transfer;
  - (f) grant waiver to the Director's engaging in any business within the scope of the Company's business;
  - (g) issue restricted Shares to employees pursuant to Article 9; and
  - (h) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution.
33. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;
- (a) a Supermajority Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
  - (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 33(a) above.
- 33A The Company shall pass a Supermajority Special Resolution if the Company effects a Delisting in accordance with the Applicable Listing Rules.

34. Subject to compliance with the Law, in the event any of the resolutions with respect to the paragraphs from (a) to (e) of Article 32 is passed at a general meeting, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price. Shares which have been abstained from voting in accordance with this Article 34 shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.

Without prejudice to the Law, any Member exercising his rights prescribed in the preceding paragraph (the "**Dissenting Member**") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety (90)-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's Shares, within thirty (30) days after such sixty (60)-day period, the Company shall file a petition with the court of Taiwan which, for these purposes and to the extent permitted by applicable laws, shall include the Taipei District Court, against all the dissenting Members with whom no agreement on the price of Shares has been reached for a ruling on the repurchase price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Member solely with respect to the repurchase price.

- 34A. Notwithstanding the above provisions under Articles 34, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his Shares upon dissenting from a merger or consolidation.

#### **REDEMPTION AND PURCHASE OF SHARES**

35. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.
36. The Company is authorised to make payments in respect of the redemption of its Shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
37. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Every share certificate representing a redeemable Share shall indicate that the share is redeemable.
38. Subject to the Applicable Listing Rules and Articles 38B and 39A, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Company may purchase its own Shares (including a redeemable Share) by agreement with the Shareholder whose Shares are to be purchased or pursuant to the terms of the issue of the Share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules, these Articles and the Ordinary Resolution authorizing the manner and terms of the purchase.



- 38A. No Share may be redeemed or purchased unless it is fully paid-up.
- 38B. Subject to the Applicable Listing Rules, upon approval of a majority of Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors for the time being, the Company may purchase its outstanding Shares listed on the Taipei Exchange or TSE. The said approval by resolution of Board of Directors and the extent of Shares purchases made pursuant thereto shall be reported to the Shareholders at the next general meeting. If the Company fails to effect the purchase pursuant to the resolution of the Board of Directors, it shall also be reported to the Shareholders at the next general meeting.
39. The redemption price or repurchase price may be paid in any manner authorised by the Law, the Applicable Listing Rules and these Articles. Subject to the Law, the Applicable Listing Rules and these Articles, a delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 39A. Shares purchased may only be treated as cancelled in connection with a purchase of Shares out of the share capital of the Company or any account or funds legally available therefor with the sanction of a Supermajority Resolution. The number of Shares to be purchased and cancelled pursuant to a purchase of Shares pursuant to this Article shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

The amount payable to the Shareholders in connection with a purchase of Shares held by each such Shareholders pursuant to the preceding paragraph may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). Where the amount payable on a purchase of Shares is to be satisfied by way of delivery of assets in specie (i.e., non-cash), then the number of Shares to be purchased, the said assets in specie (i.e., non-cash), and the amount of share capital to be cancelled upon the purchase of Shares (which amount must be equivalent to the value of the said assets to be delivered) shall first be approved by a Supermajority Resolution and shall be subject to the consent of the Shareholder whose Shares are to be purchased and to whom such assets are to be delivered. Prior to such general meeting, the Board of Directors shall have the value of the said assets to be delivered and the amount of share capital to be cancelled (equivalent to the value of the said assets to be delivered) upon the purchase of the Shares (as described in the preceding paragraph) be audited and certified by a certified public accountant in Taiwan.

#### **TREASURY SHARES**

40. The Company is authorised to hold Treasury Shares in accordance with the Law. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be immediately cancelled or held as Treasury Shares in accordance with the Law and Applicable Listing Rules. If the Board of Directors does not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
- 40A. 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 declared or paid in respect of Treasury Shares.
- 40B. For so long as the Company holds Treasury Shares:
- (a) the Company shall be entered in the Register as the holder of those 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; and

- (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, subject to the Applicable Listing Rules and the Law, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Shares is permitted provided that any such Shares allotted as fully paid bonus shares in respect of a Treasury Shares shall be treated as Treasury Shares.
- 40C. Subject to Article 40D and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If any of the Treasury Shares are intended to be transferred to employees pursuant to Applicable Listing Rules, such employees may undertake to the Company to refrain from transferring such Shares during a specified period not exceeding two (2) years.
- 40D. Subject to the Applicable Listing Rules, a proposed transfer by the Company of Treasury Shares to its employees at a price lower than the average price at which the Treasury Shares were actually previously purchased by the Company shall be approved at the next general meeting by a resolution passed by at least two-thirds (2/3) of votes cast by Shareholders present at the meeting with a quorum of more than half of the total number of the issued Shares. The following matters shall be listed in the reasons for convening the said general meeting and in no event shall such matters be proposed at the general meeting as ad hoc motions:
- (a) transfer price determined, discount rate, calculation basis and fairness;
  - (b) the number of Treasury Shares to be transferred, purpose and fairness;
  - (c) the criteria of eligible employees and number of Treasury Shares that may be purchased by each employee; and
  - (d) impact on shareholders' rights: (i) the amount to be booked as expense of the Company and dilution of earnings per Share; and (ii) description of the Company's financial burden arising from the transfer of Treasury Shares to employees at a price lower than the average price at which the Treasury Shares were actually purchased by the Company.

The accumulated number of Treasury Shares that have been transferred to employees as so approved at each general meetings shall not exceed five (5%) of the total number of issued Shares of the Company for the time being, and the accumulated number of Treasury Shares transferred to a single employee shall not exceed zero point five percent (0.5%) of the total number of issued Shares for the time being.

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

41. For the purpose of determining the Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or the Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purposes, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Register shall be closed in accordance with the Applicable Listing Rules.
42. Apart from closing the Register, the Directors may fix in advance a date as the record date for determining the Members that are entitled to receive notice of, attend or vote at a general meeting and for the purpose of determining those Members that are entitled to receive payment of any dividend or in order to make a determination as to who is a Member for any other purposes. In the event the Directors designate a record date in accordance with this Article 42 in respect of convening a general meeting, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the Taipei Exchange or TSE pursuant to the Applicable Listing Rules.

## GENERAL MEETINGS

43. All general meetings other than annual general meetings shall be called extraordinary general meetings.
44. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year and shall specify the meeting as such in the notices calling it.
45. At each general meeting, a report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, all physical general meetings shall be held in Taiwan and if a physical general meeting is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 46, the relevant Shareholders, shall apply for the approval of the Taipei Exchange or the TSE.
- 45A The general meeting may be held by means of video conference or in a manner consistent with the Applicable Listing Rules or other methods announced by Taiwan authorities in charge of the Company Act of Taiwan in relation to the general meeting of a company incorporated thereunder (to be applied mutatis mutandis). So long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the conditions, operation procedures and other matters of the general meeting held by means of video conference shall be in compliance with the Applicable Listing Rules.
- 45B Members may participate in any general meeting by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding in the aggregate three percent (3%) or more of the total number of issued Shares of the Company for a period of one (1) consecutive year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the matters to be tabled for consideration at the meeting and the reasons for the proposed matter(s), and if the Board does not duly proceed to convene such meeting for a date not later than fifteen (15) days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the requisitionists themselves may convene the extraordinary general meeting in the same manner as provided for under Article 48, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.
47. If at any time there are no Directors, any Shareholder or Shareholders holding in the aggregate three percent (3%) or more of the total number of the issued Shares of the Company for a period of one (1) consecutive year or a longer time may, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.
- 47A For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, any one or more member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty per cent. (50%) of the total issued and outstanding Shares of the Company for a continuous period of no less than three (3) months. The number of the Shares held by a Member and the period during which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.
- 47B (Deleted)



- 47C If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's Shareholders' Service Agent to provide the Register of Members. Upon the request, the Company shall (and shall order its Shareholders' Service Agent to) provide the Register of Members.

#### **NOTICE OF GENERAL MEETINGS**

48. At least thirty (30) days' notice in writing shall be given for an annual general meeting, and at least fifteen (15) days' notices in writing shall be given for an extraordinary general meetings. The period of notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.
- 48A. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company shall make public announcements with regard to notice of general meeting, proxy form, and summary information and details about issues for recognition, discussion, election or dismissal of Directors or supervisors (if any) at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.

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 67, 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.

49. The Board shall prepare a manual setting out the agenda of a general meeting (including all the subjects and matters to be resolved at the meeting) and shall make public announcement(s) in a manner permitted by the Applicable Listing Rules to disclose the contents of such manual together with other information related to the said meeting at least twenty-one (21) days prior to the date of annual general meetings and at least fifteen (15) days prior to the date of extraordinary general meetings. Such manual shall be distributed to all Shareholders attending the general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at the general meeting. If the Company's total paid-in capital exceeds NT\$10 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than 30% of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty days for an annual general meeting.
50. In the event any of the following matters is to be considered at a general meeting, the notice of the general meeting shall contain a explanatory summary of the matter to be discussed, and such matters shall not be proposed as ad hoc motions:
- (a) election or discharge of Directors or supervisors (if any);
  - (b) amendments to the Memorandum of Association and/or these Articles;
  - (c) dissolution, Share Swap, Merger or Spin-off of the Company;
  - (d) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
  - (e) the transfer of the whole or any material part of its business or assets;
  - (f) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;

- (g) the private placement of equity-linked securities;
- (h) granting waiver to the Director's engaging in any business within the scope of business of the Company;
- (i) distribution of part or all of its dividends or bonus by way of issuance of new Shares;
- (j) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;
- (k) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them;
- (l) the transfer of Treasury Shares to its employees by the Company;
- (m) the Delisting;
- (n) capital deduction; and
- (o) application to terminate the public offering of the Shares.

The major content of the above matters can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.

Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

51. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, Shareholders holding an aggregate of more than one-half (1/2) of the total number of issued Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.
52. Shareholder(s) holding one percent (1%) or more of the total number of issued Shares as at the record date determined by the Board or upon commencement of the period for which the Register shall be closed before the general meeting may propose in writing or any electronic means designated by the Company to the Company a proposal for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by the Applicable Listing Rules at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. Any Shareholder(s) whose proposal has been submitted and accepted by the Board, shall continue to be entitled to attend the annual general meeting in person or by proxy or in the case of a corporation, by its authorised representative(s), and participate in the discussion of such proposal.

The Board shall include a proposal submitted by a Shareholder(s) unless (i) the number of Shares held by such Shareholder(s) is less than one percent (1%) of the total number of issued Shares in the Register of Members as of the record date determined by the Board or upon commencement of the period for which the Register shall be closed before the general meeting; (ii) the proposal involves matters which cannot be resolved at the annual general meeting in accordance with or under the Applicable Listing Rules; (iii) the proposal submitted concerns more than one matter or the proposal exceeds 300 Chinese words; or (iv) the proposal is submitted after the expiration of the specified period determined by the Board, in which case, the rejected proposal shall not be discussed at the annual general meeting. If the

proposal urges the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting. The Company shall, prior to the dispatch of a notice of the annual general meeting, inform the Shareholders the result of submission of proposals and list in the notice of annual general meeting the proposals accepted for consideration and approval at the annual general meeting. The Board shall explain at the annual general meeting the reasons for excluding proposals submitted by such Shareholder(s).

53. Subject to the Applicable Listing Rules, the Chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of Directors. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves a chairman for such meeting.
54. Subject to the Applicable Listing Rules, for a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the Shareholders present shall elect one of such persons as the chairman of the meeting.
55. Subject to the Applicable Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of any general meeting shall be decided by a show of hands. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
56. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting shall be passed by an Ordinary Resolution.
57. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.

#### **VOTES OF SHAREHOLDERS**

58. Subject to these Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder as his proxy shall have one (1) vote for each Share of which he or the Shareholder represented by proxy is the holder.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, any Shareholder holding Shares on behalf of another beneficiaries may exercise his/her voting rights severally in accordance with the request(s) of the respective beneficiaries in respect of those Shares. The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

Subject to the Law and unless otherwise provided for in these Articles, any resolutions at a general meeting of the Company shall be adopted by an Ordinary Resolution.

59. No vote may be exercised by any Shareholder with respect to any of the following Shares:
  - (a) any Treasury Shares held by the Company in accordance with the Law, these Articles and the Applicable Listing Rules;
  - (b) the Shares held by any subordinate company of the Company as defined in the Applicable Listing Rules, where the total number of voting shares or total shares equity held by the Company in such a subordinated company represents more than one-half (1/2) of the total number of voting shares or the total shares equity of such a subordinated company; or

- (c) the Shares held by another company, where the Company and its subordinated company directly or indirectly hold more than one-half (1/2) of the total number of the voting shares or total shares equity of such company.

Any votes cast at the general meeting by or on behalf of such Shareholder in contravention of the foregoing shall not be counted and the Shares held by such Shareholder shall not be counted in determining the total number of issued Shares for purposes of voting at the general meeting and for determining quorum thereat under Article 51.

- 60. In the case of joint holders, the joint holders shall appoint from amongst themselves a representative to the exercise their voting rights and the joint holders shall notify the Company of such appointment. The vote of the representative who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders.
- 61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his committee, his guardian or any other Person who is similar to guardian and appointed by such court, and such committee or other Person, guardian or any other Person who is similar to guardian appointed by any court having jurisdiction, may otherwise act and be treated as if he were the registered holder of such Shares for the purpose of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office or such other place as the Board may specify, not less five (5) days before the date appointed for the holding of the meeting or adjourned meeting or poll, as the case may be.
- 62. A Shareholder may appoint a proxy to attend, speak and vote at a general meeting on his behalf by executing an instrument of proxy in the usual or common form or such other form as the Board of Directors may approve, and such proxy form shall be prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one (1) proxy form and appoint one (1) proxy for each general meeting, and shall deliver to the Company such written proxy, duly completed and executed by him, so as to reach the Company no later than five (5) days prior to the meeting date. In case the Company receives two (2) or more written proxies from the same one (1) Shareholder, the written proxy first received by the Company shall prevail unless an explicit statement revoking the earlier written proxy is made subsequently received written proxy.
- 62A. After a written proxy has been delivered to the Company, if the Shareholder issuing the proxy intends to attend the general meeting in person or to exercise his voting rights in writing or by way of electronic transmission, the Shareholder shall issue a written notice to the Company to revoke the proxy at least two (2) days prior to the general meeting. If the revocation is not made during the prescribed period, the votes casted by the Person as his proxy shall prevail.
- 63. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon by such proxy, and (c) basic identification information relating to the relevant Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice of general meeting by mail or electronic transmission for the relevant general meeting. Notwithstanding any other provisions of these Articles, the distribution of the notice and proxy materials shall be made to all Shareholders and such distribution, regardless of delivering by email or by electronic transmission, shall be made on the same day.
- 64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Shareholder.
- 65. Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or the chairman appointed pursuant to Article 68, when a person who acts as the proxy for two (2) or more Shareholders concurrently, the number of votes

represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of votes in excess of the said three percent (3%) represented by such proxy shall not be counted.

66. To the extent required by the Applicable Listing Rules, any Shareholder who has a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed (the "**Proposed Matters**") for consideration and approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, but all such Shares shall be counted in the quorum for the purpose of Article 51 notwithstanding that such Shareholder should not exercise his voting right. Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the number of votes of Shareholders present at the general meeting for the resolution relating to the Proposed Matters by the Company.
67. When the Company holds a general meeting, the Company shall provide the Members with a method for exercising their voting power by means of electronic transmission.
68. The voting at a general meeting may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the votes shall be described in the notice of the general meeting. A Shareholder who exercises his votes in writing or by way of electronic transmission as set forth in the preceding Article 67 shall be deemed to have appointed the chairman of the general meeting as his/her or her proxy to exercise his/her or her voting rights at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his/her votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.

For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the Taipei Exchange or the TSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).

69. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 67 to the Company at least two (2) days prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 by the first written ballot or electronic transmission shall prevail unless it is expressly stated in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
70. In the case of a Shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 shall prevail.

If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67, and has subsequently submitted a written proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her



proxy pursuant to Article 68 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

71. In the event that the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, for revocation of such resolution.

### **PROXY AND PROXY SOLICITATION**

72. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or the TSE, the Company shall comply with the Applicable Listing Rules (including but not limited to the "Guidelines Governing the Utilization of Proxy for Shareholders Meetings of Public Companies") in respect of the proxies and proxy solicitation.

### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

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

### **DIRECTORS**

74. Unless otherwise determined by the Company in general meeting from time to time, the Board of Directors shall consist of such number of Directors being not less than five (5) Directors and not more than eleven(11) Directors. Amongst the Board of Directors, the Board of Directors shall comprise of at least three (3) Independent Directors, and the Independent Directors shall account for at least one-fifth (1/5) of the total number of Directors for the time being. At least one (1) of the Independent Directors must be domiciled in Taiwan. For so long as the Shares are listed on the Taipei Exchange or the TSE, the Board of Directors shall have such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer. The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors and Independent Directors shall be subject to and governed by the Applicable Listing Rules.

Where any Shareholder is a corporate entity, its representative may be elected as Director or supervisor (if any). Where there are several representatives of any corporate Shareholder, such representatives may be elected as either Directors or supervisors (if any) but not as Director and supervisors (if any) concurrently.

75. Independent Directors shall possess professional knowledge and maintain independence within the scope of their directorial duties without having any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence of Independent Directors, method of nomination of Independent Directors, and other matters in relation to Independent Directors shall be subject to the Applicable Listing Rules.

When the number of Independent Directors falls below the required number of Independent Directors under these Articles or the Applicable Listing Rules due to the disqualification or resignation of an Independent Director or the Independent Director ceases to be a Director for any reason, the resulting vacancy of such Independent Director shall be filled at the next following general meeting. If all of the Independent Directors have been disqualified, have resigned or cease to be Directors for any reason, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that event to elect Independent Directors to fill the vacancies.

76. Unless otherwise permitted by the Commission and under the Applicable Listing Rules, a

spousal relationship and/or a Family Relationship within the Second Degree of Kinship shall not exist among more than half (1/2) of the Directors (the "**Threshold**").

Where the Directors elected at the general meeting do not meet the Threshold, the election of the Director receiving the lowest number of votes among those not meeting the Threshold shall be deemed null and void. If any of the existing Directors does not meet the Threshold, such Director shall be deemed to have vacated in his office immediately and automatically as at the date of non-compliance with the Threshold.

77. When the number of Directors falls below five (5) due to the disqualification or resignation of a Director or any Director ceases to be a Director for any reason, the vacancy arising shall be filled by election of new Director(s) at the next following general meeting. When the number of Directors falls short by one-third (1/3) of the total number of Directors elected at the general meeting last convened to elect Directors and notwithstanding the actual current number of Directors, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that event to elect new Director(s) to fill the vacancy(ies).

If it is resolved at a general meeting attended by Shareholders representing more than fifty percent (50%) of total number of issued Shares for the time being, and such general meeting is held prior to the expiration of the term of the current Directors that all Directors shall be re-elected with effect immediately after the adoption of such resolution (the "**Re-Election**"), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Re-Election.

78. The general meeting of the Shareholders may appoint any natural person or corporation to be a Director or supervisor (if any). At a general meeting of election of Directors or supervisors (if any), the number of votes exercisable in respect of one (1) Share shall be the same as the number of Directors or supervisors (if any) to be elected, and the total number of votes per Share may be consolidated for election of one (1) candidate or may be split for election of two (2) or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director or supervisor (if any) so elected.
79. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment of Directors in accordance with the Applicable Listing Rules. The rules and procedures for such candidate nomination shall be in accordance with policies approved by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Law, these Articles and the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.
80. Subject to these Articles, the term for which a Director and supervisor (if any) will hold office shall not exceed three (3) years; thereafter he/she shall be eligible for re-election. In case no election of new Directors or supervisors (if any) is effected after expiration of the term of office of the existing Directors or supervisors (if any), the term of office of such Directors or supervisors (if any) shall be extended until the time new Directors or supervisors (if any) are elected and assume their office.
81. A Director may be removed at any time by Supermajority Resolution adopted at a general meeting. If a Director is removed during the term of his/her office as a Director without cause, such Director is entitled to make a claim against the Company for damages sustained by him/her as a result of such removal.
82. The Board of Directors shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office.
- 82A. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, any Director (other than an Independent Director) or supervisor (if any), who, during his or her term and in one or more transactions, transfers more than fifty percent (50%) of the total Shares held by such Director

or supervisor (as the case may be) at the time of his or her appointment or election as Director or supervisor (as the case may be) being approved at a general meeting (the "**Approval Time**"), shall be discharged or vacated from the office of Director or supervisor (as the case may be).

For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, if any person transfers, in one or more transactions, more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director or supervisor (if any), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director (other than an Independent Director) or supervisor (if any) will be proposed, his or her appointment or election as Director or supervisor (if any) shall be null and void.

83. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
84. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 84A. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, where any Director, who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

#### **DIRECTORS' FEES AND EXPENSES**

85. Unless otherwise stipulated in these Articles or the Applicable Listing Rules, the remuneration (if any) of the Directors shall be determined by a resolution of the Board of Directors in accordance with the prevailing industry standards in Taiwan. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
86. Subject to Article 85, any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
- 86A. The Company shall establish a Salaries and Remuneration Committee, and the professional qualifications of the members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The salaries and remunerations in the preceding paragraph include the salaries and remunerations and stock options and other measures providing substantial incentives for Directors and managers.

#### **ALTERNATE**

87. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate



Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.

88. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Board of Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

### **POWERS AND DUTIES OF DIRECTORS**

89. At the close of each financial year, the Board of Directors shall prepare the business report, financial statements and a surplus earning distribution and/or loss offsetting proposals for adoption at the annual general meeting, and upon such adoption by the Company at its annual general meeting, the Board of Directors shall make public announcements or distribute to each Shareholder copies of the adopted financial statements and the resolutions passed in respect of the surplus earning distribution and/or loss offsetting proposals in accordance with these Articles and the Applicable Listing Rules. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
90. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
91. The Directors may from time to time appoint any Person (other than any Independent Directors), whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one (1) or more vice-presidents or chief financial officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Notwithstanding the foregoing, if any Director holds any of the above positions, his remuneration shall be subject to Article 85. Any Person so appointed by the Directors may be removed by the Directors.
92. The Directors 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 they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
93. The Directors may delegate any of their powers, authorities and discretions to committees consisting (unless otherwise permitted by the Applicable Listing Rules) of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations and directions that may be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and directions, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Directors, and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
94. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and

subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

95. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the two next following Articles shall not limit the general powers conferred by this Article.
96. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company (including but not limited to remuneration committee) and may delegate any of its powers, authorities and discretions to such committees. Unless otherwise provided in the Applicable Listing Rules, the members of such committees shall be Directors. Where any Director is a member of any such committees, his remuneration as a committee member shall be subject to Article 85.
97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- 97A Subject to the laws of the Cayman Islands and the Applicable Listing Rules, a Director, officer and supervisor (if any) of the Company shall owe fiduciary duties to the Company and such fiduciary obligations shall include but not limited to the observance of loyalty, good faith and the avoidance of a conflict of duty and self-interest. If any Director, officer or supervisor (if any) of the Company breaches the aforesaid fiduciary duties, subject to the Cayman Islands law and the Applicable Listing Rules, such Director, officer or supervisor (if any) shall be held liable for any damages therefrom.

Subject to the laws of the Cayman Islands and the Applicable Listing Rules, if any Director, officer or supervisor (if any) of the Company violates the aforesaid fiduciary duties, it may be resolved at the general meeting to deem any income from such behaviour as the Company's income.

If any Director, officer or supervisor (if any) of the Company breaches any applicable laws or regulations in performing business for the Company, thereby causing any loss or damage to third party, subject to the Cayman Islands law and the Applicable Listing Rules, such Director, officer or supervisor (if any) shall be held jointly and severally liable for the loss or damage to such third party with the Company. In this connection, such Director, officer or supervisor (if any) shall indemnify the Company for any loss or damage incurred by the Company to third party.

#### **BORROWING POWERS OF DIRECTORS**

98. Subject to the Law, these Articles and the Applicable Listing Rules, the Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncanceled capital of the Company, to issue debentures, debenture stock, bonds and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

#### **THE SEAL**

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except

by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.

101. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein.

#### **DISQUALIFICATION OF DIRECTORS**

102. A person shall not act as a Director and shall be discharged or vacated from the office of Director, if he or she:
- (a) committed an offence as specified in the Taiwan statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five (5) years, or (D) was pardoned for less than five (5) years;
  - (b) has been sentenced to imprisonment for a term of more than one (1) year by a final judgement for commitment of fraud, breach of trust or misappropriation, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two (2) years, or (D) was pardoned for less than two (2) years;
  - (c) has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two (2) years, or (D) was pardoned for less than two (2) years;
  - (d) has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
  - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
  - (f) has no or only limited capacity;
  - (g) dies or is found to be or becomes of unsound mind;
  - (h) has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
  - (i) resigns his office by notice in writing to the Company; or
  - (j) is removed from office and ceases to be a Director pursuant to these Articles;
  - (k) if an order of court is obtained pursuant to application made under Article 103 of these Articles; or
  - (l) If he ceases to meet the Threshold (as defined in Article 76 of these Articles).
103. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and regulations and these Articles, but not been removed by a resolution of the general meeting, any Shareholder(s) holding in the aggregate three percent (3%) or more of the total number of

issued Shares for the time being may, within thirty (30) days after that general meeting, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, in respect of such matter, for the removal of such Director, at the Company's expense.

### PROCEEDINGS OF DIRECTORS

104. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. The notice of the Board meeting shall state the reasons for such meeting and shall be deemed to be duly given to a Director if it is given to such Director at least seven (7) days prior to the meeting by post or electronic transmission to such Director's last known address or in accordance with other instructions given by such Director to the Company for this purpose; however the Board meeting may be convened from time to time in case of any emergency in accordance with the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of Board Meetings.
105. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, by means of videoconference or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
106. Unless otherwise provided in these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half (1/2) of the number of the Directors for the time being. A Director represented by alternate Director at any Board meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
107. A Director who directly or indirectly has personal interest in the matter proposed at the meeting of the Board, including but not limited to a contract or proposed contract or arrangement with the Company shall disclose the nature of his or her personal interest at the meeting of the Board, if he or she knows his or her personal interest then exists, or in any other case at the first meeting of the Board after he or she knows that he or she is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
  - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient disclosure of personal interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

To the extent required by Applicable Listing Rules, a Director shall not vote for himself or on behalf of other Director for whom he acts as proxy in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director has a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted, but such Director shall be counted in the quorum for purposes of convening the Board meeting.

Notwithstanding the first paragraph of this Article, if any Director has a personal interest (whether directly or indirectly) in any matter or business tabled or considered at the Board

meeting, such Director shall disclose and explain his interest, the nature and extent thereof, all material information or contents on such personal interest at the same Board meeting. If the Company proposes to enter into any transaction specified in the paragraphs from (a) to (e) of Article 32, or effect other forms of mergers and acquisitions in accordance with applicable laws, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Board and the general meeting as required by the applicable laws. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.

Where the spouse of a Director, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Listing Rules.

108. No Director (other than Independent Directors) may do anything for himself or on behalf of another person that is within the scope of the Company's business without first having declared such act or activity and all material information to a general meeting of the Shareholders and obtained the approval by Supermajority Resolution. Failure in obtaining such approval shall cause the said interested Director to be liable to account to the Company for any profit realised through such act or activities if the general meeting so resolves by an Ordinary Resolution within one (1) year from such act or activity.
109. Notwithstanding the preceding Article, subject to the Applicable Listing Rules, a Director (other than Independent Directors) may hold any other office or place of profit under the Company (other than the office of internal auditor or auditor of 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.
110. Subject to these Articles and the Applicable Listing Rules, any Director (other than Independent Directors) may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as internal auditor or as auditor of the Company.
111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
  - (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
112. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.



113. Subject to the Applicable Listing Rules, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, and for no other purpose.
114. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, such committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one (1) of their number to be chairman of the meeting.
115. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, questions arising at any meeting of the committee shall be determined by a majority of votes cast by the committee members present at the meeting.
116. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, all acts done by the Directors, by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director or any Person to whom the Board may have delegated any of its powers, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director or to act in the relevant capacity.
117. The following actions require the approval of a majority of the votes cast by the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors for the time being:
- (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
  - (b) the sale or transfer of the whole or any material part of its business or assets;
  - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (d) the election of Chairman of the Board pursuant to these Articles;
  - (e) the allocation of Employees' Remunerations and Directors' Remunerations pursuant to Article 129; and
  - (f) issuance of corporate bonds.

#### **AUDIT COMMITTEE**

118. The Company shall set up an Audit Committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The Audit Committee shall comprise solely of all Independent Directors and the number of committee members shall not be less than three (3). One (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have accounting or financial expertise. Subject to Article 119 below, a valid resolution of the Audit Committee requires approval of at least one-half (1/2) of all its members.
119. Notwithstanding anything provided to the contrary contained in these Articles, the following matters require approval of at least one-half (1/2) of all members of the Audit Committee and

the approval of the Board:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, provision or extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) the entering into of a transaction relating to material assets or derivatives; ;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or private placement of the Shares or any equity-linked securities;
- (h) the hiring or dismissal of an attesting certified public accountant as the auditor of the Company, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officers;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other material matter deemed necessary by the Board of Directors or so required by Applicable Listing Rules or the competent authority.

Subject to the Applicable Listing Rules, with the exception of item (j) above, any other matter that has not been approved by a resolution passed by at least one-half (1/2) of all members of the Audit Committee may be undertaken if approved by a resolution passed by at least two-thirds (2/3) of all Directors for the time being, and such resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Subject to the Applicable Listing Rules, where the Audit Committee is unable to convene a meeting for any proper cause to decide on any matter, such matter may be approved by the Board by way of resolution passed by at least two-thirds (2/3) of all Directors, provided that if such matter is a matter under item (j) above, then the members of the Audit Committee who are Independent Directors shall still be required to issue an opinion as to whether the resolution is approved in respect of the said matter under item (j) above.

- 120. The accounts of the Company shall be audited at least once in every year.
- 121. The Audit Committee shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and the Audit Committee may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
- 122. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted

auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

123. Subject to the Cayman Islands law, any Shareholder(s) holding one percent (1%) or more of the total number of the issued Shares of the Company for six (6) consecutive months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

If the Independent Director of the Audit Committee who has been requested by such Shareholder(s) in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Shareholder(s), subject to the Cayman Islands law, such Shareholder(s) may file such litigation on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

124. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Rules of Audit Committee.

- 124A. Subject to the Law, before the meeting of the Board resolves any matter specified in paragraphs from (a) to (e) of Article 32 or other forms of mergers and acquisitions in accordance with the applicable laws, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of the Board and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the applicable laws. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the applicable laws. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the Taiwan securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

## DIVIDENDS

125. Subject to the Law, these Articles and to any rights and restrictions for the time being attached to any Shares, the Company may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

125A. Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits after each financial year in accordance with a proposal for profits distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of Article 32(g), Supermajority Resolution in the annual meeting. After the Board approves the distribution of dividend in cash, the Board shall report such distribution in the next annual general meeting.

126. Subject to Article 129, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.



127. Any dividend payable in cash to the holder of Shares may be paid (a) by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders (or if there is no such representative, then to the joint holder whose name stands first in the Register in respect of the Shares) at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may in writing direct, or (b) by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or person entitled to such payment. Every such cheque or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct, and shall be sent at his or their risk and payment of the cheque or telegraphic transfer or electronic transfer or remittance by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
129. As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or shares in lieu of the cash amount of any dividend according to the Company's future expenditure budgets and funding needs.

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) a maximum of twenty percent (20%) and a minimum of eight percent (8%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "**Employees' Remunerations**"); and (2) a maximum of two percent (2%) of such annual profits before tax for the purpose of Directors' remunerations (the "**Directors' Remunerations**"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to Cayman Islands law, the Applicable Listing Rules and notwithstanding Article 139, the Employees' Remunerations and the Directors' Remunerations may be distributed in the form of cash and/or bonus shares, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Law, and unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off accumulated losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and

(e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Company may distribute to the Shareholders by way of dividends pursuant to the Applicable Listing Rules and these Articles. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to the Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%) of the total dividends allocated to Shareholders.

130. If several Persons are registered as joint holders of any Share, any one of them may give effectual receipts for any dividend or other moneys payable on or property distributable in respect of the Share held by such joint holders. No dividend shall bear interest against the Company.

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

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

133. The Board of Directors shall prepare and present the business report, financial statements and records of the Company at the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the surplus earnings distribution and/or loss offsetting. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be effected by way of making public announcements by the Company.

134. Subject to the Applicable Listing Rules, the Board shall keep copies of the yearly business report, financial statements and other relevant documents at the office of its Shareholders' Service Agent in Taiwan at least ten (10) days before the annual general meeting and any of its Shareholders is entitled to inspect such documents from time to time during the normal business hours of the said Shareholders' Service Agent.

135. Save for the preceding Article 134 and Article 148, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

136. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.

137. The Directors 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.

#### **INTERNAL AUDIT**

138. The Company shall set up internal audit unit under the Board of Directors, and hire qualified and adequate staffs as internal auditors. Any matters in relation to the internal audit shall comply with the Applicable Listing Rules.

## **CAPITALISATION OF RESERVES**

139. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of a Supermajority Resolution:
- (a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;
  - (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;
  - (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and
  - (d) generally do all acts and things required to give effect to any of the actions contemplated by this Article 139.
- 139A. For the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution.

## **PUBLIC TENDER OFFER**

140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, any public tender offer of the Shares of the Company shall be subject to the Applicable Listing Rules, including but not limited to the "Regulations Governing the Public Tender Offer of Shares of Public Companies".

## **SHARE PREMIUM ACCOUNT**

141. The Directors shall in accordance with the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
142. Subject to the Applicable Listing Rules and the Law, there shall be debited to any share premium account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

## **NOTICES**

143. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder 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 Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have provided to the Company or have positively confirmed in writing for the purpose of such service of notices to him. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register (or if there is no such representative, then to the joint holder

whose name stands first in the Register) in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

144. Any Shareholder 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 and, where requisite, of the purposes for which such meeting was convened.
145. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
  - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
  - (c) recognised 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.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service provider.

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with these Articles shall notwithstanding that such Shareholder 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 Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
  - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

#### **INFORMATION**

148. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of share certificates and corporate bonds issued by the Company. Any Shareholder may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, review and to make copies of the foresaid Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of the share certificates and corporate bonds issued by the Company. Upon the request of any Member,

the Company shall order its Shareholders' Service Agent to provide such Member with the requested documents.

149. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
150. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

#### **INDEMNITY OR INSURANCE**

151. The Company may by Ordinary Resolution adopt one (1) of the protection mechanisms as described in Article 152 (a) and (b).
152. (a) Every Director and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") may be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions.
- (b) The Company may purchase directors and officers liability insurance ("**D&O insurance**") for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Law and the Applicable Listing Rules.

#### **FINANCIAL YEAR**

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

#### **WINDING- UP**

154. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders 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 Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders 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 Shareholders 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.
155. 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 and in compliance with the Applicable Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders 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 Shareholders as

the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.

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

#### **AMENDMENT OF ARTICLES OF ASSOCIATION**

157. Subject to the Law and the Articles, the Company may at any time and from time to time by Special Resolution alter or amend the Memorandum of Association and/or these Articles in whole or in part.

#### **REGISTRATION BY WAY OF CONTINUATION**

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

#### **LITIGIOUS AND NON-LITIGIOUS AGENT**

159. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company shall appoint a litigious and non-litigious agent in Taiwan (the "**Litigious and Non-Litigious Agent**"). The Litigious and Non-Litigious Agent shall be the responsible person of the Company in Taiwan and shall have residence or domicile in Taiwan. The Company shall report to the Commission in respect of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent. In case of any change of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent, the Company shall report to the Commission in respect of such change.

#### **SOCIAL RESPONSIBILITIES**

160. When the Company conducts the business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.