

Stock Code 5243

Eson Precision Ind. Co., Ltd.

Handbook for the 2023 Annual

Meeting of Shareholders

Meeting Time: June 20, 2023

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE ANNUAL SHAREHOLDERS' MEETING (THE "AGENDA") OF ESON PRECISION IND. CO., LTD. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Eson Precision Ind. Co., Ltd.

Procedure for the 2023 Annual Meeting of Shareholders

I 、 Call the Meeting to Order

II 、 Chairperson Remarks

III 、 Report Items

IV 、 Proposals Items

V 、 Discussion Items

VI 、 Questions and Motions

VII 、 Adjournment

Eson Precision Ind. Co., Ltd.
Year 2023
Agenda of Annual Meeting of Shareholders

Time : 9:00 am, on Tuesday, June 20,2023

Place :8F., No.2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City 236,
Taiwan

Type of Meeting: Visual Communication Assisted Shareholders Meeting

On Line Meeting Platform:Taiwan Depository & Clearing Corporation

(website:<https://www.stockvote.com.tw>)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. 2022 Business Report.
2. 2022 Audit Committee's Agreement Report.
3. 2022 Employees' Compensation and Directors' Remuneration.

IV. Proposals Items

1. Adoption of the 2022 Business Report and Financial Statements.
2. Adoption of the Proposal for Distribution of 2022 Profits.

V. Discussion Items

1. Discussion of amendments to the Company's "Articles of Incorporation".

VI. Questions and Motions

VII. Adjournment

Report Items

Report No. 1

2022 Business Reports.

Explanation:

The 2022 Business Report is attached hereto as Attachment 1. Please refer to Pages 7-10 of handbook.

Report No. 2

Audit Committee's Agreement Report on the 2022 Financial Statements.

Explanation:

The 2022 Audit Committee's Agreement Report is attached hereto as Attachment 2. Please refer to Pages 11 of handbook.

Report No. 3

2022 Employees' Compensation and Directors' Remuneration.

Explanation:

1. According to Article 13.4 of the Articles of Incorporation, if there is surplus profit, the company shall set aside 2% to 8% as compensation to employees. The company shall from the surplus profit, set aside no more than 0.5% thereof as remuneration for the directors. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors and is exclusive of the earnings accumulated from previous years.
2. The Company distributes employees' compensation in the amount of NT\$45,868,241 and distributes directors' remuneration in the amount of NT\$5,733,526. The distribution will take place in cash.

Proposals Items

Proposal 1:

(Proposed by the Board)

Adoption of the 2022 Business Report and Financial Statements.

Explanation:

1. Company's 2022 Financial Statements were audited by independent auditors, Wu, Ke-Chang CPA and Chiu, Ming-Yu CPA of Deloitte & Touche.
2. 2022 Business Report, CPA Audit Report and the aforementioned Financial Statements that have been reviewed and audited by the audit committee are attached hereto as Attachment 1 and Attachment 3. Please refer to Pages 7-10 and Pages 12-21 of handbook.
3. Adoption requested.

Resolution:

Proposal 2:

(Proposed by the Board)

Adoption of the Proposal for Distribution of 2022 Profits.

Explanation:

1. The Company's net profit after taxes for 2022 was NT\$800,915,427 by deducting the set aside legal reserve of NT\$80,091,543, the available earnings at end of the period is equal to NT\$720,823,884, each common share holder will be entitled to receive a cash dividend of NT\$1.6 per share, the Company plans to distribute dividends of NT\$269,646,264 to shareholders.
2. Please refer to Page 22 of this handbook for the 2022 Profit Distribution Table.
3. The cash dividend distribution will be calculated to the nearest NT dollar, the remainder will be transferred into the "Other Revenue".
4. Subject to the approval of the regular shareholders' meeting, the ex-dividend date for the cash would be decided by Chairman.
5. If the number of total shares outstanding, prior to the ex-dividend date for the distribution, has changed due to the repurchasing of shares by the Company, etc., such that the ratios of the stock dividends and cash dividends are affected and must be adjusted, the Chairman is authorized to make such adjustments.
6. Adoption requested.

Resolution:

Discussion Items

Proposal 1:

(Proposed by the Board)

Discussion of amendment to the Company's "Articles of Incorporation".

Explanation:

1. Additional text is included in accordance with the Checklist for the Protection of Shareholders' Equity in the Place of Registration of Foreign Issuers released by Taiwan Stock Exchange on January 9, 2023 on the amendment of the Company's Rules of Procedure for Shareholders Meetings.
2. The Comparison Chart Before and After Amendment to the Articles of Incorporation Table & Amended Articles of Incorporation is attached hereto as Attachment 5. Please refer to Pages 23-25 and Pages 26-74 of handbook.

Resolution:

Questions and Motions

Adjournment

Eson Precision Ind. Co., Ltd.

Business Report

I. 2022 Business Report

1. Business Plan Implementation Results

The 2022 consolidated turnover of the Company amounted to NT\$14.0 billion, or a 16.5% growth from the previous year. Three major product lines of the Company, namely automobile parts, cloud products, and consumer electronics, have exhibited growth trends. Of which, automobile parts have exhibited the most significant growth. Altogether, the net profit after tax attributable to the equity holders of the Company for the entire year amounted to NT\$801 million. In the future, the Company will continue to focus on expanding the niche product mix strategy, continuous refinement of production processes, and effective control of business costs.

I would like to express my deepest respect on behalf of ESON's management team. We are truly grateful for the continued support and encouragement of all our shareholders. This support has enabled our management team to work harder to create value for our stakeholders and march together toward a better future.

2. Financial Status and Profitability :

In Thousands of New Taiwan Dollars

Item	2022	2021	Increase/Decrease (%)
Operating Revenue	14,031,536	12,042,445	16.52
Operating Costs	11,797,376	10,233,529	15.28
Gross Profit	2,234,160	1,808,916	23.51
Operating Expenses	1,397,490	1,165,961	19.86
Operating Income	836,6705	642,955	30.13
Non-operating Revenue and Expenses	226,162	(35,100)	(744.34)
Net Income Before Tax	1,062,832	607,855	74.85
Net Income After Tax	800,915	463,781	72.69
Net income belongs to :			
Owners of ESON	800,915	463,781	72.69
Non-controlling Interests	-	-	-

Item	2022	2021
ROA (%)	7.52	4.73
ROE (%)	12.46	7.79
Operating income to paid-in capital ratio (%)	49.65	38.15
Income before tax to paid-in capital ratio (%)	63.07	36.07
Net profit ratio (%)	5.71	3.85
EPS (NT\$)	4.75	2.75

II. Technology development :

- (I) Product innovation: Existing manufacturing technologies and the advantages conferred by our global sites are being actively leveraged to strengthen our service capabilities and co-develop new products in communications, consumer products, data centers, and new energy vehicles with our clients.
- (II) Greater production automation and application of big data: Smart product automation and quality inspection is being progressively rolled out in response to economic transformation, the accelerating pace of increases in labor costs, as well as environmental and safety requirements. More automation is now being introduced and accumulated production data used to prevent production anomalies, improve quality, ensure production safety, and boost productivity. In this way, the goals of reducing labor costs, ensuring employee safety during production and increasing productivity can be achieved while still realizing growth of both profits and revenues.
- (III) Integration and development key processes: The Company set out to obtain high value-added production technologies and integration capabilities to provide clients with a variety of options. Options such as precision molds and welding skills serve to enhance the long-term competitiveness of the Company.
- (IV) In-mold injection molding machine: Different materials are combined into a single component through molding processes. Automation was also developed to increase productivity and production precision in order to realize the goals of product weight and cost reduction.
- (V) Low-pressure injection molding technology: This molding technology for external automotive trim is used for molding plastic leather, improve the efficiency of compression molding processes, and reduce manpower/production costs. We expanded the scope of application for molding techniques to meet the diverse product requirements of clients.
- (VI) Development of laminated bus bar manufacturing process: Implementation of laminated busbar in the manufacturing process combines processes such as high-speed stamping, high-polymer diffusion welding, CNC automated processing, and non-homogeneous material welding to offer customers with diversified laminated bus bar products. This further expands the new energy vehicle market and will generate new opportunities for profit.

III. Future Outlook

The Company has won the trust and support of many important clients in a fast-changing industry through our outstanding capabilities in product design, manufacturing capabilities in each region, and the competitive advantages offered by vertical integration in a fast-changing industry. The company's product mix strategy currently focuses on automobiles, cloud technology, communications and consumer electronics. Furthermore, in the interest of sustainable development and long-term sales growth, the Company will continue building long-term relationships with our clients and tailor our product development and planning to market requirements. The 2022 product strategy called for the following:

- (I) Consumer products: With a growing demand for large-screen TVs, the Company will draw upon its outstanding production technology and advanced equipment to consolidate production at overseas sites. Strengthening production capacity for high-end TV components will establish long-term value and a solid core for our competitiveness so that we can meet client expectations and generate more revenue.
- (II) Electric vehicle products: The Company has accumulated many years of experience in the electric vehicle (EV) industry. Strong growth in new energy vehicles means that the development of related clients and expanded supply of components, as well as plans to transition to an assembly supplier, will help boost revenue growth and profits generated by the EV sector.
- (III) Server products: The mass adoption of cloud, metaverse, and data centers is benefiting from the high-speed development of wireless communications. The demand for servers and cabinets will continue to grow. The Company will expand and consolidate our domestic and overseas resources so that we can meet the requirements for market growth and boost our production capacity.
- (IV) Communication products: Future requirements on high-speed communications for smart vehicles mean that bandwidth and transmission latency will all become increasingly important over the next few years. The Company is actively investing in new product partnerships and will use the clients' speed to improve production capacity, logistics and management, and strengthen the overall quality of service.

IV. Effects of the competitive environment, the regulatory environment, and the macroeconomic environment

- (I) Competition remains heated for consumer products. The Company will continuously expand production and logistics capacity, decrease the risks and costs of regional production, enhance production capacity coordination between factories, and maintain the development of high value-added products to increase competitiveness and profitability.

- (II) As the economic cycle remains fluid, the tide of rising interest rates globally and chaotic monetary policies in various countries has resulted in a constant increase in the cost of funds. The Company shall be more prudent with the financial and capital management, while increasing liquidity to address future changes.
- (III) The Company will comply with the relevant regulations of various countries and client demands by gradually implementing practices related to environmental protection (Environment), social responsibility (Social), and corporate governance (Governance). Actions such as energy conservation and carbon reduction, upholding corporate social responsibility, and improving work environments will demonstrate the Company's values in sustainable operations.

Finally, we would like to express our most sincere gratitude to you, our shareholders, investors, and employees, for your continued support. Join us as we advance steadily forward and enjoy the fruits of our success. We look forward to your feedback. We wish you

health and prosperity

Audit Committee Agreement Report

The Audit Committee agrees with the consolidated financial statements, business reports and proposal for earnings distribution in 2022, as decided by the Board of Directors. Among which, the consolidated financial statements of the Company in 2022 have been issued with an unqualified opinion audit report after audit by Deloitte Touche Tohmatsu Limited which was hired by the Board of Directors.

The Audit Committee is responsible for supervising the financial reporting process of the Company.

A certified public accountant has attested to the Company's consolidated financial statements for 2022 and communicated with the Audit Committee on the following matters:

- 1.No critical findings were discovered in the scope and time of the audit as planned by the certified public accountant.
- 2.The certified public accountant has offered the Audit Committee an accountant who is affiliated with the firm and follows the criterion of being independent as indicated in the Norm of Professional Ethics for Certified Public Accountant. No discovery was made that may be considered as affecting the independence of the accountants and other matters.
- 3.Among matters discussed between the certified public accountant and the Audit Committee, the certified public accountant has, in its audit report, clearly described the key audit matters that affect the Company's consolidated financial statements. There are no laws that do not allow specific matters to be publicly disclosed or in very rare cases, the certified public accountant decides not to audit for specific matters discussed in the report

The Audit Committee agrees with the consolidated financial statements, business reports and proposal for earnings distribution in 2022, as decided by the Board of Directors. All are in compliance with relevant laws and regulations and are reported as stipulated in Article 219 of the Company Act.

Please review.

To:

Eson Precision Engineering Co. Ltd. 2023 General Shareholders' Meeting

Audit Committee convener: Lin, Chih-Chung

Date: March 13, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Eson Precision Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Eson Precision Ind. Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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 Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter is this matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. This matter was 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 this matter.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Recognition of Revenue from Sales of Some Automobile Mechanical Parts

The revenue of the Group is mainly derived from sales of automobile mechanical parts, television mechanical parts, molds and other mechanical parts.

The gross profit margin of some automobile mechanical parts is higher than others, and the Group's sales revenue has increased compared with that of 2021. The revenue from sales of these automobile mechanical parts accounted for a significant proportion of the consolidated operating revenue for the year ended December 31, 2022; therefore, we considered the occurrence of the recognition of revenue from sales of some automobile mechanical parts as a key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022.

The audit procedures that we performed in response to the sales revenue recognition included the following: (1) We obtained an understanding of the design and determined the effectiveness of the implementation of the main internal controls of sales revenue, and (2) we selected samples of revenue items, inspected customer orders or contracts, shipping documents and payment status, etc., and confirmed that transactions had occurred.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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 Ke-Chang Wu and Ming-Yu Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

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.

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,117,631	18	\$ 1,853,404	18
Financial assets at amortized cost - current (Notes 4, 6, 8 and 25)	180,304	1	203,110	2
Notes receivable (Notes 4 and 9)	21,997	-	-	-
Trade receivables (Notes 4 and 9)	2,556,556	21	1,876,451	19
Trade receivables from related parties (Notes 4, 9 and 24)	444,480	4	563,657	6
Other receivables	35,804	-	36,223	-
Inventories (Notes 4 and 10)	1,645,632	14	1,488,685	15
Other current assets	311,718	3	425,709	4
Total current assets	7,314,122	61	6,447,239	64
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	4,876	-	4,799	-
Financial assets at amortized cost - non-current (Notes 4, 6, 8 and 25)	5,446	-	5,360	-
Property, plant and equipment (Notes 4 and 11)	4,054,505	34	3,238,217	32
Right-of-use assets (Notes 4 and 12)	251,455	2	274,291	3
Investment properties (Notes 4 and 13)	183,855	2	-	-
Other intangible assets (Note 4)	7,647	-	13,289	-
Refundable deposits	19,775	-	21,644	-
Other financial assets - non-current (Notes 6 and 19)	145,494	1	121,169	1
Total non-current assets	4,673,053	39	3,678,769	36
TOTAL	\$ 11,987,175	100	\$ 10,126,008	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	\$ 706,330	6	\$ 954,960	10
Trade payables	2,305,758	19	2,235,179	22
Trade payables to related parties (Note 24)	17,013	-	10,460	-
Other payables (Notes 15 and 24)	743,713	6	591,336	6
Current tax liabilities (Notes 4 and 19)	306,941	3	212,570	2
Lease liabilities - current (Notes 4 and 12)	9,551	-	17,128	-
Current portion of long-term borrowings (Note 14)	174,107	1	-	-
Other current liabilities	79,267	1	25,378	-
Total current liabilities	4,342,680	36	4,047,011	40
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 14)	602,150	5	-	-
Deferred tax liabilities (Notes 4 and 19)	110,740	1	100,104	1
Lease liabilities - non-current (Notes 4 and 12)	16,110	-	3,188	-
Guarantee deposits	36,456	1	-	-
Total non-current liabilities	765,456	7	103,292	1
Total liabilities	5,108,136	43	4,150,303	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 17)				
Share capital				
Ordinary shares	1,685,289	14	1,685,289	17
Capital surplus	2,349,249	19	2,349,249	23
Retained earnings				
Legal reserve	381,673	3	335,295	3
Special reserve	826,579	7	700,585	7
Unappropriated earnings	2,124,469	18	1,731,866	17
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(482,603)	(4)	(820,962)	(8)
Unrealized (loss) gain on financial assets at fair value through other comprehensive income	(5,617)	-	(5,617)	-
Total equity attributable to owners of the Company	6,879,039	57	5,975,705	59
NON-CONTROLLING INTERESTS (Note 17)	-	-	-	-
Total equity	6,879,039	57	5,975,705	59
TOTAL	\$ 11,987,175	100	\$ 10,126,008	100

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

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 24)	\$ 14,031,536	100	\$ 12,042,445	100
OPERATING COSTS (Notes 10 and 24)	<u>11,797,376</u>	<u>84</u>	<u>10,233,529</u>	<u>85</u>
GROSS PROFIT	<u>2,234,160</u>	<u>16</u>	<u>1,808,916</u>	<u>15</u>
OPERATING EXPENSES				
Selling and marketing expenses	192,382	1	205,133	2
General and administrative expenses	1,038,841	8	756,959	6
Research and development expenses	152,333	1	199,936	2
Expected credit loss (Note 9)	<u>13,934</u>	<u>-</u>	<u>3,933</u>	<u>-</u>
Total operating expenses	<u>1,397,490</u>	<u>10</u>	<u>1,165,961</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>836,670</u>	<u>6</u>	<u>642,955</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	16,613	-	20,546	-
Other income	48,254	-	19,939	-
Foreign exchange gain (loss)	219,036	2	(60,446)	-
Other expenses	(6,576)	-	(5,190)	-
Loss on disposal of property, plant and equipment	(12,308)	-	(754)	-
Interest expenses	<u>(38,857)</u>	<u>-</u>	<u>(9,195)</u>	<u>-</u>
Total non-operating income and expenses	<u>226,162</u>	<u>2</u>	<u>(35,100)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,062,832	8	607,855	5
INCOME TAX EXPENSE (Notes 4 and 19)	<u>(261,917)</u>	<u>(2)</u>	<u>(144,074)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>800,915</u>	<u>6</u>	<u>463,781</u>	<u>4</u>

(Continued)

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 17)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences on translation to the presentation currency	\$ 700,016	5	\$ (177,897)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	-	-	(5,617)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(361,657)</u>	<u>(3)</u>	<u>57,520</u>	<u>1</u>
Other comprehensive income (loss)	<u>338,359</u>	<u>2</u>	<u>(125,994)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,139,274</u>	<u>8</u>	<u>\$ 337,787</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 800,915	6	\$ 463,781	4
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 800,915</u>	<u>6</u>	<u>\$ 463,781</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,139,274	8	\$ 337,787	3
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,139,274</u>	<u>8</u>	<u>\$ 337,787</u>	<u>3</u>
EARNINGS PER SHARE (ATTRIBUTABLE TO OWNERS OF THE COMPANY) (Note 20)				
Basic	<u>\$ 4.75</u>		<u>\$ 2.75</u>	
Diluted	<u>\$ 4.73</u>		<u>\$ 2.74</u>	

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

(Concluded)

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Unrealized (loss)		
			Retained Earnings			Exchange	Gain on		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated	Differences on	Financial	Non-controlling	Total Equity
					Earnings	Translation of	Assets at Fair	Interests	
						Financial	Value through		
						Statements of	Other		
						Foreign	Comprehensive		
						Operations	Income		
BALANCE AT JANUARY 1, 2021	\$ 1,685,289	\$ 2,349,249	\$ 289,198	\$ 603,006	\$ 1,698,260	\$ (700,585)	\$ -	\$ 5,101	\$ 5,929,518
Appropriation of 2020 earnings (Note 17)									
Legal reserve	-	-	46,097	-	(46,097)	-	-	-	-
Special reserve	-	-	-	97,579	(97,579)	-	-	-	-
Cash dividends	-	-	-	-	(286,499)	-	-	-	(286,499)
Net profit for the year ended December 31, 2021	-	-	-	-	463,781	-	-	-	463,781
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(120,377)	(5,617)	-	(125,994)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	463,781	(120,377)	(5,617)	-	337,787
Changes in non-controlling interests	-	-	-	-	-	-	-	(5,101)	(5,101)
BALANCE AT DECEMBER 31, 2021	1,685,289	2,349,249	335,295	700,585	1,731,866	(820,962)	(5,617)	-	5,975,705
Appropriation of 2022 earnings (Note 17)									
Legal reserve	-	-	46,378	-	(46,378)	-	-	-	-
Special reserve	-	-	-	125,994	(125,994)	-	-	-	-
Cash dividends	-	-	-	-	(235,940)	-	-	-	(235,940)
Net profit for the year ended December 31, 2022	-	-	-	-	800,915	-	-	-	800,915
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	338,359	-	-	338,359
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	800,915	338,359	-	-	1,139,274
BALANCE AT DECEMBER 31, 2022	\$ 1,685,289	\$ 2,349,249	\$ 381,673	\$ 826,579	\$ 2,124,469	\$ (482,603)	\$ (5,617)	\$ -	\$ 6,879,039

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

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,062,832	\$ 607,855
Adjustments for:		
Depreciation expense	546,115	433,240
Amortization expense	10,970	13,673
Expected credit loss recognized on trade receivables	13,934	3,933
Interest expenses	38,857	9,195
Interest income	(16,613)	(20,546)
Loss on disposal of property, plant and equipment	12,308	754
Write-downs of inventories	78,890	54,968
Gain on lease modification	(428)	-
Changes in operating assets and liabilities		
Notes receivable	(21,997)	1,746
Trade receivables	(555,994)	(280,164)
Trade receivables from related parties	119,177	33,835
Other receivables	419	(27,274)
Inventories	(109,574)	(767,491)
Other current assets	122,178	(62,325)
Trade payables	70,579	(180,873)
Trade payables to related parties	6,553	(1,168)
Other payables	135,369	29,885
Other current liabilities	53,889	(13,670)
Cash generated from operations	1,567,464	(164,427)
Interest received	16,613	29,420
Interest paid	(38,398)	(8,149)
Income taxes paid	(152,906)	(180,189)
Net cash generated from (used in) operating activities	1,392,773	(323,345)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(260,111)	(215,790)
Proceeds from sale of financial assets at amortized cost	286,636	897,740
Payments for property, plant and equipment	(1,091,572)	(1,080,271)
Proceeds from disposal of property, plant and equipment	49,384	2,224
Decrease (increase) in refundable deposits	1,869	(1,540)
Payments for intangible assets	(4,354)	(7,432)
Increase in prepayments for equipment	(125,506)	(96,355)
Net cash used in investing activities	(1,143,654)	(501,424)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(248,630)	470,800
Proceeds from long-term borrowings	776,257	-
Guarantee deposits received	36,456	-
Repayments of the principal portion of lease liabilities	(16,098)	(11,322)

(Continued)

ESON PRECISION IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Cash dividends distributed	\$ (235,940)	\$ (286,499)
Decrease in non-controlling interests	<u>-</u>	<u>(5,101)</u>
Net cash generated from financing activities	<u>312,045</u>	<u>167,878</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(296,937)</u>	<u>66,221</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	264,227	(590,670)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>1,853,404</u>	<u>2,444,074</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 2,117,631</u>	<u>\$ 1,853,404</u>

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

(Concluded)

Eson Precision Ind. Co., Ltd.

Profit Distribution Table

Year 2022

		Unit: NTD \$
Beginning retained earnings		1,323,552,720
Add: net profit after tax	800,915,427	
Less: 10% legal reserve	(80,091,543)	
Distributable net profit	720,823,884	720,823,884
Distributable items:		
Dividend to shareholders (NTD\$1.60 of per share)		(269,646,264)
Unappropriated retained earnings		1,774,730,340
<p>1.The cash dividend distribution will be calculated to the nearest NT dollar, the cash dividend distribute with NT dollar.</p> <p>2.According to convert the functional currency into NT dollar.</p>		

Chairman: Chia-Hsiang Tsai

President: Chia-Hsiang Tsai

Accounting Manager: You-Ching Lin

Eson Precision Ind. Co., Ltd.

Comparison Chart for Amendments to Articles of Incorporation and Articles of Incorporation after Amended

Proposal for the Amendment	Original Article	Reason for Amendments
MEMORANDUM OF ASSOCIATION		
<p>27.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of <u>or voted against</u> such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:</p> <ul style="list-style-type: none"> (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract; (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company; (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person. 	<p>27.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:</p> <ul style="list-style-type: none"> (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract; (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company; (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person. 	<p>This Article is amended to Checklist for the Protection of Rights and Interests of Registered Shareholders</p>

Proposal for the Amendment	Original Article	Reason for Amendments
<p><u>Shares which have been abstained from voting in accordance with this Article 27.1 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.</u></p>		
<p>46.5 Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. <u>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.</u> Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the</p>	<p>46.5 Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has 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 Public Company Rules.</p>	<p>This Article is amended to Checklist for the Protection of Rights and Interests of Registered Shareholders</p>

Proposal for the Amendment	Original Article	Reason for Amendments
<p>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 Public Company Rules.</p>		

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
TWELFTH AMENDED AND RESTATED MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by Members on [-], 2023)

Incorporated on the 17th day of June, 2008

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
TWELFTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by Members on [-], 2023)

1. The name of the Company is Eson Precision Ind. Co., Ltd. 乙盛精密工業股份有限公司.
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a)
 - (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
 - (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge,

convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any or the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- 4. Except as prohibited or limited by the Companies Act (Revised), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the

Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
6. The share capital of the Company is NTD3,000,000,000 divided into 300,000,000 ordinary shares of a par value of NTD10 each with power for the Company, subject to the provisions of the Companies Act (Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, whether original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (Revised) and, subject to other provisions of the Companies Act (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

THE COMPANIES ACT (REVISED)

COMPANY LIMITED BY SHARES

TWELFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(Adopted by Special Resolution passed by Members on [-], 2023)

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TWELFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by members on [-], 2023)

Table A

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

INTERPRETATION

1. Definitions

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

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the Business Mergers and Acquisitions Act, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Appointed Representative	has the meaning given thereto in Article 34.5;
Articles	these Articles of Association as altered from time to time;

Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the Law;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Eson Precision Ind. Co., Ltd. 乙盛精密工業股份有限公司;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Dissenting Member	has the meaning given thereto in Article 27.2;
Dividend	means any dividend resolved to be paid on the shares of the Company pursuant to the Articles;
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Act (Revised) of the Cayman Islands;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and jointly bear

	losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Act (Revised) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	a transaction whereby: (a) a "merger and/or" "consolidation" as defined under the Law; or (b) other forms of mergers and acquisitions which fall

	within the definition of "merger" or "acquisition" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority of the votes cast;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, after the shares are listed on the TSE, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the Company is listed on the TSE,) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Replacement	has the meaning given thereto in Article 34.6;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value NT\$10 each in the Company;

Share Swap	a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the " Acquiring Company ") acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Share Exchange	a share exchange as permitted under the ROC Company Act whereby a company acquires a portion of the issued and outstanding shares of another company with the consideration being the newly issued shares of such acquiring company;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a newly incorporated company (the " Acquirer ") with the consideration being the shares of the Acquirer, cash or other assets;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;

Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
Treasury Shares	has the meaning given thereto in Article 3.12;
TDCC	means the Taiwan Depository & Clearing Corporation;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in these Articles.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1** Subject to these Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law.
- 2.2** Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by the Board. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3** Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC or TSE for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company shall also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "**Employee Subscription Portion**").
- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration, after allocation of the Public Offering Portion and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

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

- 2.5** Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The pre-emptive right of Employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Spin-off, Share Swap, Share Exchange, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
 - (f) in connection with the issue of shares in accordance with Article 13.7 or 16 hereof; or
 - (g) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the

avoidance of doubt, resolution of the Members is not required.

- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2** The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.
- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to a redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the provisions of the Law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine.
- 3.6** In the event that the Company proposes to purchase any share listed on the TSE pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.
- 3.7** The redemption price may be paid in any manner authorised by Article 15.1.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding "A" licenses (as defined in the Banks and Trust Companies Act (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).

- 3.10** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.11** No share may be redeemed unless it is fully paid.
- 3.12** Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares ("**Treasury Shares**") at the discretion of the Directors.
- 3.13** No Dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) 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.
- 3.15** Any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.16** Subject to Article 3.15, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

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

- (a) be entitled to one vote per share;
- (b) be entitled to such Dividends as recommended by the Board and approved by the Members at general meeting;

- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1** Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3** Share may not be issued in bearer form.
- 5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall upon the issue of such shares cause the name of the subscriber and other particulars to be entered onto the Register of Members in accordance with the Law and the Applicable Public Company Rules.

6. Preferred Shares

- 6.1** Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause the rights and obligations of Preferred Shares to be set forth in these Articles.
- 6.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
 - (a) the order of priority and fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;

- (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
- (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
- (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

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

8. Registered Holder Absolute Owner

Except as required by law:

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

9. Transfer of Registered Shares

- 9.1** Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3** The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled to a share shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
• (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s), and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assignees, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [] day of [], 201[]

Signed by:

In the presence of:

Transferor

Witness

- 10.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

11. Power to Alter Capital

- 11.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to increase its authorized share capital by new shares of such amount as it thinks expedient.
- 11.2** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; or
 - (b) convert all or any of its paid up shares into stock, and reconvert that stock into paid-up shares of any denomination; or
 - (c) subdivide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
 - (d) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled in such manner as permitted by Applicable Law.
- 11.3** Subject to the Law and the Articles, the Company may from time to time by Special Resolution:
- (a) change its name;
 - (b) alter or add to the Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
 - (d) reduce its share capital and any capital redemption reserve fund.

11.4 Subject to the Law and Article 11.5, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution, provided that if the Applicable Public Company Rules or the Law permit the Company to only require the approval of the Board or the approval of the Members by an Ordinary Resolution or Special Resolution for the following actions, the Company is not required to obtain the approval of the Members by a Supermajority Resolution:

- (a) effecting any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company; or
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

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

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.

11.6 Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of straight corporate bonds by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in accordance with Applicable Public Company Rules.

12. Variation of Rights Attaching to Shares

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

all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

13. Dividends

- 13.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 11.4(a), Supermajority Resolution and subject to these Articles and any direction of the Company in general meeting, declare a Dividend to be paid to the Members in proportion to the number of shares held by them, and such Dividend may be paid in cash, shares or, subject to Article 13.2, wholly or partly in specie. No unpaid Dividend shall bear interest as against the Company.
- 13.2** Subject to the provisions of Article 13.1 hereof, the Directors may determine that a Dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any shareholder to whom it is proposed to make a distribution in specie and an assurance on the valuation of the assets for distribution from an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.
- 13.3** Subject to the Law, Article 11.4(a) and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in general meetings. No Dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all Dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for Dividend as from a particular date, that share shall rank for Dividends accordingly.
- 13.4** Upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside two per cent (2%) to eight per cent (8%) as compensation to employees ("**Employees' Compensation**") and Employees' Compensation may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than zero point five per cent (0.5%) thereof as remuneration for the Directors ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount

thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The “surplus profit” referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors and is exclusive of the earnings accumulated from previous years.

- 13.5** In determining the Company's dividend policy, the Board recognises that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. In determining the amount, if any, of the Dividend or other distribution it recommends to Members for approval in any financial year, the Board:
- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
 - (b) shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as a general reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.
- 13.6** Subject to compliance with the Law and after setting aside the amounts for Employees' Compensation and Directors' Remuneration in accordance with Article 13.4 and such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.5, the Board shall recommend to Members for approval to distribute no less than ten per cent (10%) of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as Dividend to the Members and the allocation will be made upon the passing of the resolution by the Members.
- 13.7** Dividends to the Members and the Employees' Compensation may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than fifty per cent (50%) of the total amount of such Dividend shall be paid in cash. No unpaid Dividend and compensation shall bear interest as against the Company.
- 13.8** The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution.
- 13.9** For the purpose of determining Members entitled to receive payment of any Dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14. Capital Reserve and Power to Set Aside Profits

- 14.1** The Board may, before declaring a Dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing Dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.
- 14.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

15. Method of Payment

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

16. Capitalisation

Subject to the Law and Article 11.4(a), the Board may capitalise any sum for the time being standing to the credit of the Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

17. Annual General Meetings

- 17.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall call all annual general meetings.
- 17.2** The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the physical general meetings shall be held in the ROC. If the Board resolves to hold a physical

general meeting outside the ROC, the Company shall apply for the approval of the TSE thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

- 17.3** The general meeting may be held by means of video conference or in a manner consistent with the Applicable Public Company Rules or other methods announced by the ROC authorities in charge of the Company Act of Taiwan in relation to the general meeting of a company incorporated thereunder. So long as the shares are listed on the TSE in the ROC, the conditions, operation procedures and other matters of the general meeting held by means of video conference shall be in compliance with the Applicable Public Company Rules.
- 17.4** 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.

18. Extraordinary General Meetings

- 18.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 18.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable, and the Board shall on a Member's requisition as defined in Article 18.3 forthwith proceed to convene an extraordinary general meeting of the Company.
- 18.3** A Member's requisition set forth in Article 18.2 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 18.4** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.
- 18.5** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TSE for its prior approval.
- 18.6** For so long as the shares are listed on the TSE in the ROC, 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 of the total issued shares of the Company for a continuous period of no less than three months. The number of the shares held by a Member and the period of which

a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period. The Book Closure Period has the meaning as defined in Article 19.3.

19. Notice

- 19.1** At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 19.2** At least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. The Board shall fix the period that the Register of Members shall be closed for transfers (the "**Book Closure Period**").
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Articles 19.1 and 19.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 19.1 and 19.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in a manner consistent with the Applicable Public Company Rules twenty-one (21) days prior to the general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such 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 (30) days for an annual general meeting.
- 19.6** The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the shares,
- (e) (i) dissolution, Merger, Share Swap, or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16,
- (h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and
- (i) Private Placement of any equity-related securities to be issued by the Company.

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

- 19.7** The Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 19.8** The Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.
- 19.9** If the general meeting is convened by the Board or 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 stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

20. Giving Notice

20.1 Any Notice or document, whether or not to be given or issued under these Articles from the Company to a Member, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or to the extent permitted by Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

20.2 Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service, or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant dispatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, dispatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

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

21. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

22. Quorum and Proceedings at General Meetings

- 22.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 22.2** The Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.
- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll; provided that the resolution shall be deemed to be unanimously adopted and to have the same effect as a resolution received on a poll after the chairman of the meeting inquires all attending Members' opinion and receives no objections thereto. No resolution put to the vote at the meeting shall be decided by a show of hands.
- 22.4** Nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 22.6** Member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or by any electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable

Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than one per cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.

23. Chairman to Preside

Unless otherwise agreed by a majority of the Members attending and entitled to vote thereat, the Chairman, shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

24. Voting on Resolutions

- 24.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 24.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting.
- 24.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 24.4** Subject to the Law, for so long as the shares are listed on the TSE in the ROC, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made

by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

- 24.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 24.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 24.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.
- 24.6** A Member who has served the Company with his voting decision in accordance with Article 24.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

25. Proxies

- 25.1** The instrument of proxy shall be in the form approved by the Board from time to time 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 pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 25.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 25.3** Subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affairs agent approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 24.4, in the event a person acts as

the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.

- 25.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 24.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

26. Proxy Solicitation

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

27. Dissenting Member's Appraisal Right

- 27.1** Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:
- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
 - (c) acquires or assumes the whole business or assets of another person, which has a material

effect on the operation of the Company;

- (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

Shares which have been abstained from voting in accordance with this Article 27.1 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.

27.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 27.1 (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.

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

27.4 Notwithstanding the above provisions under this Article 27, 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.

28. Shares that May Not be Voted

28.1 Shares held:

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

shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

28.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

28.3 If the number of shares pledged by a Director at any time amounts to more than fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

29. Voting by Joint Holders of Shares

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

30. Representation of Corporate Member

30.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or such non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

30.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

31. Adjournment of General Meeting

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

32. Directors Attendance at General Meetings

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

DIRECTORS AND OFFICERS

33. Number and Term of Office of Directors

- 33.1** There shall be a Board consisting of no less than five (5) and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.
- 33.2** Unless otherwise approved by the ROC competent authority, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.
- 33.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 33.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 33.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation.
- 33.4** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall not be less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.
- 33.5** The Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.
- 33.6** Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and Exchange Act applicable to the Company.

34. Election of Directors

- 34.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 34.2** The election of Independent Directors and non-independent Directors shall be held together and the Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "Cumulative Voting") in the following manner:
- (i) the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
 - (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more Independent Director or non-independent Director candidates;
 - (iii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
 - (iv) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 34.3** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 34.4** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 34.5** Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "**Appointed Representative**"). The election of an Appointed Representative as a Director is subject to the approval of Members in accordance with the provisions of this Article 34.
- 34.6** Where the Appointed Representative has been elected as a Director of the Company, the

corporation (or other legal entity) which is a Member which has appointed the Appointed Representative to be elected as a Director, may at any time, serve notice on the Company giving notice to replace the Appointed Representative with another person. Such replacement of the Appointed Representative as a Director (the "**Replacement**") shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company, and will not require any shareholders' approval. Accordingly, Articles 34.1, 34.2 and 34.5 do not apply in respect of the Replacement.

35. Removal of Directors

- 35.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the current Directors, the Members may re-elect all Directors, whose vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence their office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

36. Vacation of Office of Director

- 36.1** The office of Director shall be vacated if:
- (a) the Director is removed from office pursuant to Article 35.1;
 - (b) the corporation (or other legal entity) which appointed an Appointed Representative, serves notice on the Company giving notice to remove such Appointed Representative from the office of Director, such removal shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company;
 - (c) the Director dies;
 - (d) the Director is automatically discharged from his office in accordance with Article 33.3;
 - (e) the Director resigns his office by notice in writing to the Company;

- (f) if the Director is the subject of a court order for his removal in accordance with Article 35.2;
- (g) the Director is automatically removed in accordance with Article 36.2;
- (h) the Director ceases to be a Director in accordance with Article 36.3; or
- (i) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
 - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Civil Code of the ROC) or similar declaration and such assistantship/declaration having not been revoked yet;
 - (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than five years;
 - (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgement, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than two years;
 - (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Anti-Corruption Act of the ROC, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than two years; or
 - (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 36(i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

36.2 In case a Director (other than an Independent Director) that has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time

he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

- 36.3** If any Director (other than an Independent Director) has, after having been elected and before his inauguration of the office of Director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him within the Book Closure Period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall immediately cease to be a Director and no shareholders' approval shall be required.

37. Compensation of Directors

- 37.1** The Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.
- 37.2** The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 37.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

38. Defect in Election of Director

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

39. Directors to Manage Business

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

to these Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

40. Powers of the Board of Directors

Without limiting the generality of Article 39, the Board may subject to Article 11.4:

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

- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

41. Register of Directors and Officers

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

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

41.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
 - (b) any change in the particulars contained in the Register of Directors and Officers,
- cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

42. Officers

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

43. Appointment of Officers

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

44. Duties of Officers

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

45. Compensation of Officers

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

46. Conflicts of Interest

46.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 46.1 shall not apply to Independent Directors.

46.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Applicable Law.

46.3 Notwithstanding anything to the contrary contained in this Article 46, a Director who has a

personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

- 46.4** Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.
- 46.5** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. 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, 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 Public Company Rules.

47. Indemnification and Exculpation of Directors and Officers

- 47.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which

may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons and shall not relieve their duties provided under Article 47.4.

- 47.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 47.3** To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may:
- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
 - (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors;

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

- 47.4** Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, a Director shall assume fiduciary duty to the Company and without limitation, shall exercise due care and skill in conducting the business operation of the Company. A Director shall be liable to the Company if he has acted contrary to the above. In case such action is made for himself or on behalf of another person in violation of the provisions above, the Company may, with the sanction of an Ordinary Resolution, demand the Director to disgorge and pay to the Company any profit so realized by the Director as a consequence of his breaching the duties described in the preceding sentences and as if such misconduct is done for the benefit of the Company. If a Director and/or an officer of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he shall be liable, jointly and severally with the Company, for the damage to such other person.

MEETINGS OF THE BOARD OF DIRECTORS

48. Board Meetings

Subject to the Applicable Public Company Rules, the Chairman may call a meeting of the Board and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. The Company shall hold, or cause to be held, regular meetings of the Board at least on a quarterly basis to review the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring approval of the Board as stipulated herein. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

49. Notice of Board Meetings

The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, to the extent permitted by Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

50. Participation in Meetings by Video Conference

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

51. Quorum at Board Meetings

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

52. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

53. Chairman to Preside

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

54. Validity of Prior Acts of the Board

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

CORPORATE RECORDS

55. Minutes

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

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

56. Register of Mortgages and Charges

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

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

57. Form and Use of Seal

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

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

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

TENDER OFFER AND ACCOUNTS

58. Tender Offer

Within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent appointed by the Company pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than

ten per cent (10%) of the total issued shares in their own names or in the names of other persons.

- (b) the result of the verification on the identity and the financial conditions of the offeror, the fairness of the tender offer conditions and the reasonableness of the offeror's fund source, and recommendations to the Members on the tender offer, which shall set forth the Directors' specific consenting or dissenting opinions on the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.
- (e) other relevant important information.

59. Books of Account

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

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

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

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

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

60. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in a general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an Ordinary Resolution prescribe or allow any financial year to be longer than eighteen months.

AUDIT COMMITTEE

61. Number of Committee Members

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

62. Powers of Audit Committee

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

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

62.2 Subject to compliance with the Law, before the meeting of the Directors resolves any matter specified in Article 27.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of the Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an

independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the securities authority of the ROC and made available to the Members for their inspection and review at the venue of the general meeting.

VOLUNTARY WINDING-UP AND DISSOLUTION

63. Winding-Up

63.1 The Company may be voluntarily wound-up in accordance with Article 11.5.

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

CHANGES TO CONSTITUTION

64. Changes to Articles

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

REDUCTION OF SHARE CAPITAL

65. Reduction of Share Capital

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

66. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the

Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

LITIGIOUS AND NON-LITIGIOUS AGENT

67. Appointment of Litigious and Non-Litigious Agent

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

OTHERS

68. Shareholder Protection Mechanism

If the Company proposes to undertake:

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

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

69. ROC Securities Laws and Regulations

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

70. Social Responsibilities

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.

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
ELEVENTH AMENDED AND RESTATED MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by Members on June 24, 2022)

Incorporated on the 17th day of June, 2008

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
ELEVENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by Members on June 24, 2022)

1. The name of the Company is Eson Precision Ind. Co., Ltd. 乙盛精密工業股份有限公司.
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a)
 - (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
 - (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge,

convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any or the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- 4. Except as prohibited or limited by the Companies Act (Revised), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the

Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
6. The share capital of the Company is NTD3,000,000,000 divided into 300,000,000 ordinary shares of a par value of NTD10 each with power for the Company, subject to the provisions of the Companies Act (Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, whether original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (Revised) and, subject to other provisions of the Companies Act (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

THE COMPANIES ACT (REVISED)

COMPANY LIMITED BY SHARES

ELEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(Adopted by Special Resolution passed by Members on June 24, 2022)

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19. Notice
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ELEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF

Eson Precision Ind. Co., Ltd.

乙盛精密工業股份有限公司

(adopted by Special Resolution passed by members on June 24, 2022)

Table A

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

INTERPRETATION

1. Definitions

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

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the Business Mergers and Acquisitions Act, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Appointed Representative	has the meaning given thereto in Article 34.5;
Articles	these Articles of Association as altered from time to time;

Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the Law;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Eson Precision Ind. Co., Ltd. 乙盛精密工業股份有限公司;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Dissenting Member	has the meaning given thereto in Article 27.2;
Dividend	means any dividend resolved to be paid on the shares of the Company pursuant to the Articles;
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Act (Revised) of the Cayman Islands;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and jointly bear

	losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Act (Revised) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	a transaction whereby: (a) a "merger and/or" "consolidation" as defined under the Law; or (b) other forms of mergers and acquisitions which fall

	within the definition of "merger" or "acquisition" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority of the votes cast;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, after the shares are listed on the TSE, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the Company is listed on the TSE,) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Replacement	has the meaning given thereto in Article 34.6;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value NT\$10 each in the Company;

Share Swap	a 100% share swap as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the " Acquiring Company ") acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Share Exchange	a share exchange as permitted under the ROC Company Act whereby a company acquires a portion of the issued and outstanding shares of another company with the consideration being the newly issued shares of such acquiring company;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a newly incorporated company (the " Acquirer ") with the consideration being the shares of the Acquirer, cash or other assets;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;

Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
Treasury Shares	has the meaning given thereto in Article 3.12;
TDCC	means the Taiwan Depository & Clearing Corporation;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in these Articles.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1** Subject to these Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law.
- 2.2** Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by the Board. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3** Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC or TSE for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company shall also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "**Employee Subscription Portion**").
- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration, after allocation of the Public Offering Portion and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

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

- 2.5** Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The pre-emptive right of Employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Spin-off, Share Swap, Share Exchange, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hererof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
 - (f) in connection with the issue of shares in accordance with Article 13.7 or 16 hereof; or
 - (g) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the

avoidance of doubt, resolution of the Members is not required.

- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2** The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.
- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to a redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the provisions of the Law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine.
- 3.6** In the event that the Company proposes to purchase any share listed on the TSE pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.
- 3.7** The redemption price may be paid in any manner authorised by Article 15.1.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding "A" licenses (as defined in the Banks and Trust Companies Act (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).

- 3.10** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.11** No share may be redeemed unless it is fully paid.
- 3.12** Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares ("**Treasury Shares**") at the discretion of the Directors.
- 3.13** No Dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) 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.
- 3.15** Any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.16** Subject to Article 3.15, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

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

- (a) be entitled to one vote per share;
- (b) be entitled to such Dividends as recommended by the Board and approved by the Members at general meeting;

- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1** Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3** Share may not be issued in bearer form.
- 5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall upon the issue of such shares cause the name of the subscriber and other particulars to be entered onto the Register of Members in accordance with the Law and the Applicable Public Company Rules.

6. Preferred Shares

- 6.1** Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause the rights and obligations of Preferred Shares to be set forth in these Articles.
- 6.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
 - (a) the order of priority and fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;

- (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
- (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
- (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

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

8. Registered Holder Absolute Owner

Except as required by law:

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

9. Transfer of Registered Shares

- 9.1** Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3** The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled to a share shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
• (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s), and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assignees, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [] day of [], 201[]

Signed by:

In the presence of:

Transferor

Witness

- 10.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

11. Power to Alter Capital

- 11.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to increase its authorized share capital by new shares of such amount as it thinks expedient.
- 11.2** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; or
 - (b) convert all or any of its paid up shares into stock, and reconvert that stock into paid-up shares of any denomination; or
 - (c) subdivide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
 - (d) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled in such manner as permitted by Applicable Law.
- 11.3** Subject to the Law and the Articles, the Company may from time to time by Special Resolution:
- (a) change its name;
 - (b) alter or add to the Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
 - (d) reduce its share capital and any capital redemption reserve fund.

11.4 Subject to the Law and Article 11.5, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution, provided that if the Applicable Public Company Rules or the Law permit the Company to only require the approval of the Board or the approval of the Members by an Ordinary Resolution or Special Resolution for the following actions, the Company is not required to obtain the approval of the Members by a Supermajority Resolution:

- (a) effecting any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Swap, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company; or
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

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

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.

11.6 Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of straight corporate bonds by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in accordance with Applicable Public Company Rules.

12. Variation of Rights Attaching to Shares

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

varied by the creation or issue of further shares ranking *pari passu* therewith. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

13. Dividends

- 13.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 11.4(a), Supermajority Resolution and subject to these Articles and any direction of the Company in general meeting, declare a Dividend to be paid to the Members in proportion to the number of shares held by them, and such Dividend may be paid in cash, shares or, subject to Article 13.2, wholly or partly in specie. No unpaid Dividend shall bear interest as against the Company.
- 13.2** Subject to the provisions of Article 13.1 hereof, the Directors may determine that a Dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any shareholder to whom it is proposed to make a distribution in specie and an assurance on the valuation of the assets for distribution from an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.
- 13.3** Subject to the Law, Article 11.4(a) and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in general meetings. No Dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all Dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for Dividend as from a particular date, that share shall rank for Dividends accordingly.
- 13.4** Upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside two per cent (2%) to eight per cent (8%) as compensation to employees ("**Employees' Compensation**") and Employees' Compensation may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than zero point five per cent (0.5%) thereof as remuneration for the Directors ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report.

However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The “surplus profit” referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors and is exclusive of the earnings accumulated from previous years.

- 13.5** In determining the Company's dividend policy, the Board recognises that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. In determining the amount, if any, of the Dividend or other distribution it recommends to Members for approval in any financial year, the Board:
- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
 - (b) shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as a general reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.
- 13.6** Subject to compliance with the Law and after setting aside the amounts for Employees' Compensation and Directors' Remuneration in accordance with Article 13.4 and such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.5, the Board shall recommend to Members for approval to distribute no less than ten per cent (10%) of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as Dividend to the Members and the allocation will be made upon the passing of the resolution by the Members.
- 13.7** Dividends to the Members and the Employees' Compensation may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than fifty per cent (50%) of the total amount of such Dividend shall be paid in cash. No unpaid Dividend and compensation shall bear interest as against the Company.
- 13.8** The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution.
- 13.9** For the purpose of determining Members entitled to receive payment of any Dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14. Capital Reserve and Power to Set Aside Profits

- 14.1** The Board may, before declaring a Dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing Dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.
- 14.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

15. Method of Payment

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

16. Capitalisation

Subject to the Law and Article 11.4(a), the Board may capitalise any sum for the time being standing to the credit of the Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

17. Annual General Meetings

- 17.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall call all annual general meetings.
- 17.2** The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the physical general meetings shall be held in the ROC. If the Board resolves to hold a physical

general meeting outside the ROC, the Company shall apply for the approval of the TSE thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

- 17.3** The general meeting may be held by means of video conference or in a manner consistent with the Applicable Public Company Rules or other methods announced by the ROC authorities in charge of the Company Act of Taiwan in relation to the general meeting of a company incorporated thereunder. So long as the shares are listed on the TSE in the ROC, the conditions, operation procedures and other matters of the general meeting held by means of video conference shall be in compliance with the Applicable Public Company Rules.
- 17.4** 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.

18. Extraordinary General Meetings

- 18.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 18.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable, and the Board shall on a Member's requisition as defined in Article 18.3 forthwith proceed to convene an extraordinary general meeting of the Company.
- 18.3** A Member's requisition set forth in Article 18.2 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 18.4** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.
- 18.5** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TSE for its prior approval.
- 18.6** For so long as the shares are listed on the TSE in the ROC, 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 of the total issued shares of the Company for a continuous period of no less than three months. The number of the shares held by a Member and the period of which

a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period. The Book Closure Period has the meaning as defined in Article 19.3.

19. Notice

- 19.1** At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 19.2** At least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. The Board shall fix the period that the Register of Members shall be closed for transfers (the "**Book Closure Period**").
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Articles 19.1 and 19.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 19.1 and 19.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in a manner consistent with the Applicable Public Company Rules twenty-one (21) days prior to the general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such 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 (30) days for an annual general meeting.
- 19.6** The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the shares,
- (e) (i) dissolution, Merger, Share Swap, or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16,
- (h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and
- (i) Private Placement of any equity-related securities to be issued by the Company.

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

- 19.7** The Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 19.8** The Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.
- 19.9** If the general meeting is convened by the Board or 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 stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

20. Giving Notice

20.1 Any Notice or document, whether or not to be given or issued under these Articles from the Company to a Member, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or to the extent permitted by Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

20.2 Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service, or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant dispatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, dispatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

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

21. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

22. Quorum and Proceedings at General Meetings

- 22.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 22.2** The Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.
- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll; provided that the resolution shall be deemed to be unanimously adopted and to have the same effect as a resolution received on a poll after the chairman of the meeting inquires all attending Members' opinion and receives no objections thereto. No resolution put to the vote at the meeting shall be decided by a show of hands.
- 22.4** Nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 22.6** Member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or by any electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable

Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than one per cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.

23. Chairman to Preside

Unless otherwise agreed by a majority of the Members attending and entitled to vote thereat, the Chairman, shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

24. Voting on Resolutions

- 24.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 24.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting.
- 24.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 24.4** Subject to the Law, for so long as the shares are listed on the TSE in the ROC, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made

by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

24.5 In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 24.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 24.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.

24.6 A Member who has served the Company with his voting decision in accordance with Article 24.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

25. Proxies

25.1 The instrument of proxy shall be in the form approved by the Board from time to time 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 pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

25.2 An instrument of proxy shall be in writing, be executed under the hand of the appointor, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

25.3 Subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affairs agent approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 24.4, in the event a person acts as

the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.

- 25.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 24.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

26. Proxy Solicitation

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

27. Dissenting Member's Appraisal Right

- 27.1** Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:
- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
 - (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;

- (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

27.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 27.1 (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.

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

27.4 Notwithstanding the above provisions under this Article 27, 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.

28. Shares that May Not be Voted

28.1 Shares held:

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

shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

28.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting

such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

- 28.3** If the number of shares pledged by a Director at any time amounts to more than fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding fifty per cent (50%) of the total shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

29. Voting by Joint Holders of Shares

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

30. Representation of Corporate Member

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

- 30.2** Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

31. Adjournment of General Meeting

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

32. Directors Attendance at General Meetings

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

DIRECTORS AND OFFICERS

33. Number and Term of Office of Directors

- 33.1** There shall be a Board consisting of no less than five (5) and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.
- 33.2** Unless otherwise approved by the ROC competent authority, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.
- 33.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 33.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 33.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation.
- 33.4** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall not be less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.
- 33.5** The Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.
- 33.6** Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and Exchange Act applicable to the Company.

34. Election of Directors

- 34.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any

general meeting to elect one or more Directors.

- 34.2** The election of Independent Directors and non-independent Directors shall be held together and the Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "Cumulative Voting") in the following manner:
- (i) the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
 - (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more Independent Director or non-independent Director candidates;
 - (iii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
 - (iv) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 34.3** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 34.4** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 34.5** Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "**Appointed Representative**"). The election of an Appointed Representative as a Director is subject to the approval of Members in accordance with the provisions of this Article 34.
- 34.6** Where the Appointed Representative has been elected as a Director of the Company, the corporation (or other legal entity) which is a Member which has appointed the Appointed Representative to be elected as a Director, may at any time, serve notice on the Company giving notice to replace the Appointed Representative with another person. Such replacement of the Appointed Representative as a Director (the "**Replacement**") shall take effect from the

date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company, and will not require any shareholders' approval. Accordingly, Articles 34.1, 34.2 and 34.5 do not apply in respect of the Replacement.

35. Removal of Directors

- 35.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the current Directors, the Members may re-elect all Directors, whose vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence their office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

36. Vacation of Office of Director

- 36.1** The office of Director shall be vacated if:
- (a) the Director is removed from office pursuant to Article 35.1;
 - (b) the corporation (or other legal entity) which appointed an Appointed Representative, serves notice on the Company giving notice to remove such Appointed Representative from the office of Director, such removal shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company;
 - (c) the Director dies;
 - (d) the Director is automatically discharged from his office in accordance with Article 33.3;
 - (e) the Director resigns his office by notice in writing to the Company;
 - (f) if the Director is the subject of a court order for his removal in accordance with Article 35.2;
 - (g) the Director is automatically removed in accordance with Article 36.2;

- (h) the Director ceases to be a Director in accordance with Article 36.3; or
- (i) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
 - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Civil Code of the ROC) or similar declaration and such assistantship/declaration having not been revoked yet;
 - (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than five years;
 - (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgement, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than two years;
 - (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Anti-Corruption Act of the ROC, and (A) has not started serving the sentence, or (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 years, or (D) was pardoned for less than two years; or
 - (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 36(i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

- 36.2** In case a Director (other than an Independent Director) that has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.
- 36.3** If any Director (other than an Independent Director) has, after having been elected and before

his inauguration of the office of Director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him within the Book Closure Period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall immediately cease to be a Director and no shareholders' approval shall be required.

37. Compensation of Directors

- 37.1** The Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.
- 37.2** The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 37.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

38. Defect in Election of Director

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

39. Directors to Manage Business

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

40. Powers of the Board of Directors

Without limiting the generality of Article 39, the Board may subject to Article 11.4:

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

41. Register of Directors and Officers

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

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

41.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

42. Officers

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

43. Appointment of Officers

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

44. Duties of Officers

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

45. Compensation of Officers

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

46. Conflicts of Interest

46.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 46.1 shall not apply to Independent Directors.

46.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Applicable Law.

46.3 Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise

any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

46.4 Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

46.5 Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has 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 Public Company Rules.

47. Indemnification and Exculpation of Directors and Officers

47.1 The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons and shall not relieve their duties provided under Article 47.4.

47.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or

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

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

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

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

47.4 Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, a Director shall assume fiduciary duty to the Company and without limitation, shall exercise due care and skill in conducting the business operation of the Company. A Director shall be liable to the Company if he has acted contrary to the above. In case such action is made for himself or on behalf of another person in violation of the provisions above, the Company may, with the sanction of an Ordinary Resolution, demand the Director to disgorge and pay to the Company any profit so realized by the Director as a consequence of his breaching the duties described in the preceding sentences and as if such misconduct is done for the benefit of the Company. If a Director and/or an officer of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he shall be liable, jointly and severally with the Company, for the damage to such other person.

MEETINGS OF THE BOARD OF DIRECTORS

48. Board Meetings

Subject to the Applicable Public Company Rules, the Chairman may call a meeting of the Board and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. The Company shall hold, or cause to be held, regular meetings of the Board at least on a quarterly basis to review the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring approval of the Board as stipulated herein. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast

and in the case of an equality of votes the resolution shall fail.

49. Notice of Board Meetings

The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, to the extent permitted by Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

50. Participation in Meetings by Video Conference

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

51. Quorum at Board Meetings

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

52. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

53. Chairman to Preside

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

54. Validity of Prior Acts of the Board

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

CORPORATE RECORDS

55. Minutes

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

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee

appointed by the Board; and

- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

56. Register of Mortgages and Charges

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

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

57. Form and Use of Seal

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

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

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

TENDER OFFER AND ACCOUNTS

58. Tender Offer

Within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent appointed by the Company pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) the result of the verification on the identity and the financial conditions of the offeror, the fairness of the tender offer conditions and the reasonableness of the offeror's fund source, and recommendations to the Members on the tender offer, which shall set forth the Directors' specific consenting or dissenting opinions on the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the

submission of the latest financial report and an explanation of the change, if any.

- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.
- (e) other relevant important information.

59. Books of Account

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

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

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

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

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

60. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in a general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an Ordinary Resolution prescribe or allow any financial year to be longer than eighteen months.

AUDIT COMMITTEE

61. Number of Committee Members

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

62. Powers of Audit Committee

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

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

62.2 Subject to compliance with the Law, before the meeting of the Directors resolves any matter specified in Article 27.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of the Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review

results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the securities authority of the ROC and made available to the Members for their inspection and review at the venue of the general meeting.

VOLUNTARY WINDING-UP AND DISSOLUTION

63. Winding-Up

63.1 The Company may be voluntarily wound-up in accordance with Article 11.5.

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

CHANGES TO CONSTITUTION

64. Changes to Articles

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

REDUCTION OF SHARE CAPITAL

65. Reduction of Share Capital

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

66. Discontinuance

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

LITIGIOUS AND NON-LITIGIOUS AGENT

67. Appointment of Litigious and Non-Litigious Agent

For so long as the shares are listed on the TSE, the Company shall appoint a Litigious and Non-

Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

OTHERS

68. Shareholder Protection Mechanism

If the Company proposes to undertake:

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

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

69. ROC Securities Laws and Regulations

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

70. Social Responsibilities

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.

Eson Precision Ind. Co., Ltd
Rules of Procedure for Shareholders Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The procedures of the shareholders' meetings of the Company ("Shareholders' Meetings") shall be conducted in accordance with these Rules, including the agenda, operational procedures for the Shareholders' Meetings, items to be set forth in the minutes, public announcements and other matters to be complied with.

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Article 3

1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
2. Changes to how this Corporation 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.
3. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30

days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

4. This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:
 - (a). For physical shareholders meetings, to be distributed on-site at the meeting.
 - (b). For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 - (c). For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
5. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
6. Election or dismissal of directors, amendments to the articles of incorporation, capital deduction, application to terminate the public offering of the shares, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares the dissolution, merger, or demerger of the corporation, or any matter under Article 185 shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. ; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. °
7. Matters pertaining to election of directors or independent directors shall be itemized in the causes or subjects to be described inauguration date and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions to change inauguration date.
8. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular

shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

9. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
10. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
11. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by

correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

1. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
2. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6

1. This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
3. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

4. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
7. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.
8. In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

- (a) How shareholders attend the virtual meeting and exercise their rights.
- (b) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - I. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - II. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - III. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting

shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

IV. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

- (c) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
2. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

5. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

1. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
3. Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
4. The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
5. In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement,

provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. In respect of any extemporary motions and the amendments to the contents of the original proposals shall be voting by poll at the shareholders' meeting. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote in sufficient voting time.

Article 11

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

3. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
4. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
5. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
6. 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. The regulations in paragraphs 1 to 5 do not apply.
7. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act.
2. When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the

shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
6. If the chairperson puts the matter before all shareholders present at the meeting and none voices an objection to the matter, the matter is deemed approved and have the same effect as a resolution received on a poll. If objection is voiced in response to the chairperson's inquiry, such proposal should be put to vote in accordance with the preceding paragraph. Except those listed in the agenda of the meeting, any other proposals or an amendment or an substitute to an original proposal submitted by a shareholder for resolution may be discussed at such meeting only if another shareholder has seconded such proposal and the votes represented by the proposing and the seconding shareholders have reached 1% of the votes represented by the outstanding voting shares of the Company.
7. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any

one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

8. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
9. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
10. When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
11. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
12. When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
13. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

1. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected and unelected as directors and the numbers of votes with which they were elected.

2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results of the voting, including the statistical tallies of the numbers of votes; Election of directors or independent directors shall be disclosed, including the names of those elected as directors and the numbers of votes with which they were elected and shall be retained for the duration of the existence of this Corporation.
4. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
5. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16

1. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

2. During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the

meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

1. In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
2. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

3. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
4. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
5. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
6. When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.
7. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
8. When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
9. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing

the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Eson Precision Ind. Co., Ltd.

Shareholdings of All Directors

1. The company total common shares outstanding is 168,528,915 shares.
2. As of 04/22/2023, all directors minimum shareholding number and actually registered holding shares.

Title	Minimum number of shares to be held	Shares actually held in share register
Directors	10,111,734	59,964,720

3. The company has established the audit committee, the minimum shareholding requirements for supervisors do not apply.

Record date : April 22,2023

Title	Name	Date elected	Shareholding while elected	Current shareholding
Chairman	Ace Progress Holdings Limited Representative : Tsai, Chia-Hsiang	July 7,2021	15,351,375	15,351,375
Director	Ace Progress Holdings Limited Representative : Hsiung, Ping-Cheng	July 7,2021	15,351,375	15,351,375
Director	Golden Harvest Management Limited Representative : Lee, Kuang-Yao	July 7,2021	44,613,345	44,613,345
Director	Golden Harvest Management Limited Representative : Lee, Wei-Kang	July 7,2021	44,613,345	44,613,345
Independent Director	Kao, Chih-Chien	July 7,2021	-	-
Independent Director	Lin, Chih-Chung	July 7,2021	-	-
Independent Director	Lee, Chien-Ming	July 7,2021	-	-
Total			59,964,720	59,964,720