

Stock Code: 4912

LemTech

LemTech Holdings Co., Limited

**2024 Annual General Shareholders'
Meeting Handbook**

Date: 9:00 a.m., Tuesday, June 18, 2024

**Venue: 10F., No. 196, Jingmao 2nd Rd., Nangang Dist., Taipei City 115 ,
Taiwan (The Place Taipei)**

(This English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.)

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Lemtech Holdings Co., Limited

I. Meeting Procedure

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V. Discussion Matters

VI. Election Matters

VII. Other Proposals

VIII. Extemporaneous Motions

IX. Adjournment

II. Meeting Agenda

Date: 9:00 a.m., Tuesday, June 18, 2024

Venue: 10F., No. 196, Jingmao 2nd Rd., Nangang Dist., Taipei City 115, Taiwan (The Place Taipei)

Convening Way: Physical Shareholders' Meeting

Meeting Procedures:

I. Meeting Called to Order (Report on the total number of shares held by those in attendance)

II. Chairperson Remarks

III. Reporting Matters

Report I. Operation conditions of the company in 2023

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VIII. Extemporaneous Motions

IX. Adjournment

(I) Reporting Matters

Report I: Operation conditions of the company in 2023

Description: For the content of the company's 2023 Business Report, please refer to Attachment 1 of this handbook.(page 14-18)

Report II: Audit committee's review report on the 2023 financial statements

Description: In accordance of Article 228 of the Company Act, the company's Board of Directors has prepared the 2023 Business Report, consolidated financial statements, and proposal of annual profit distribution. The Audit Committee has reviewed the aforementioned books and statements submitted by the Board of Directors and has found no deviations. Therefore, pursuant to Article 14-4 of the Securities and Exchanges Act and Article 219 of the Company Act, the Audit Committee hereby presents the Audit Report. Please refer to Attachment 2 of this handbook.(page 19)

Report III: Distribution of employee bonus and compensation of directors in 2023

Description: 1. Pursuant to the company's Memorandum and Articles of Association, it is proposed to appropriate 1% for employee bonus as well as for directors' compensation, in the amount of NTD2,069,684 for employee and NTD 2,069,684 for directors respectively.

2. The motion has been approved by the Remuneration Committee and the Board of Directors and is submitted to the shareholders' meeting.

Report IV: Distribution of cash dividends in 2023 Profits

Description: 1. According to the provisions of Articles 94-1, 94-2 and 95 of the company's Memorandum and Articles of Association, when the profit is distributed in the form of cash, the company authorizes the Board of Directors to distribute the said profit after a resolution is made, and then report to the shareholders' meeting.

2. Upon the resolution at the 13th meeting of the 5th Board of Directors of the company, a cash dividend of NT\$3,980,338 in 2023Q2 was distributed to shareholders, and NT\$0.064 was distributed per share, which was distributed in 3rd November, 2023.
3. Upon the resolution at the 15th meeting of the 5th Board of Directors of the company, a cash dividend of NT\$51,495,618 in 2023Q3 was distributed to shareholders, and NT\$0.828 was distributed per share, which was distributed in 25th January, 2024.
4. Upon the resolution at the 17th meeting of the 5th Board of Directors of the company, a cash dividend of NT\$48,075,015 in 2023Q4 was distributed to shareholders, and NT\$0.773 was distributed per share, which was distributed in 30th April, 2024.

Report V: Amendments to Rules of Procedure for Board of Directors Meetings

Description: Amendments are made in accordance with the Financial Regulatory Commission's Jinguanzhengfazi No. 1120383996 letter to amend the “Rules of Procedure for Board of Directors Meetings for TWSE/TPEx Listed Companies.” For amendment to the “Rules of Procedure for Board of Directors Meetings,” please refer to Attachment 3 of this handbook.(page 20-21)

(II)Proposals Matters

Item I: (Proposed by the Board of Directors)

Subject: Adoption of the 2023 Business Report and Financial Statements

Description: 1. The 2023 Business report, consolidated financial statements (including balance sheet, income statement, statement of changes in equity, and statement of cash flows) have been resolved by the Board of Directors. These consolidated financial statements, as audited by the CPAs of Deloitte Taiwan, Xue, Jun-Min and Chih, Jui-Chuan, along with the 2023 Business Report, have been reviewed and approved by the Audit Committee. Please see Attachment 4 of this handbook.(page 22-31)

2. Please proceed to adopt this proposal.

Resolution:

Item II: (Proposed by the Board of Directors)

Subject: Adoption of the proposal for distribution of 2023 profits 3

Description: 1. The company's 2023 Annual Profit Distribution Table have been approved by the Audit Committee, and resolved by the Board of Directors.

2. The earnings distribution for the year is NT\$1,385,601,495 (Including the undistributed surplus at the beginning of the period of NT\$1,170,576,574, deduction of retained earnings of NT\$0 due to investment adjustments using the equity method, deduction of canceled treasury stocks and debit retained earnings of NT\$0, plus the net profit after tax of the current period of NT\$260,094,863, and minus the special reserved surplus of NT45,069,942, minus the cash dividends distributed in 2022 totaling NT\$103,550,971, the undistributed surplus at the end of the period was NT\$1,282,050,524.

3. According to the company's 2023 Annual Profit Distribution Table, please refer to Attachment 5 of this handbook.(page 32)

4. Please proceed to adopt this proposal.

Resolution:

(III) Discussion Matters

Item I: (Proposed by the Board of Directors)

Subject: Amendment to the company's Memorandum and Articles of Association

Description: According to the corporate governance policy, related rules of vice-chairman are deleted. It is proposed to amend the part of the comparison table of the company's Memorandum and Articles of Association. Please refer to Attachment 6 of this handbook.(page 33)

Resolution:

Item II: (Proposed by the Board of Directors)

Subject: The issuance of common shares through private placement

Description : 1. In order to enrich working capital, improve the financial structure and introduce long-term strategic partners to meet the company's long-term development needs, the company also considers the timeliness and convenience of raising funds, it is planned to issue new shares through cash capital increase through private placement. It is expected that the private placement of common shares will not exceed 5,600,000 shares, with a par value of NT\$10 per share.

2. The matters that should be explained when conducting private placement in accordance with Article 43-6 of the Securities and Exchange Act are as follows:

(1) The basis and rationale to determine the private placement price:

A. The common stock price per share shall be set at no less than 80% of the reference price by the company's date of pricing. The reference price is set as the higher of the following two basis prices:

(i) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

(ii) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

B. If the share price of the private placement of common stock is lower than the par value of the stock, resulting in accumulated losses of the company, depending on its future operations, capital reduction will be adopted to compensate the increase of accumulated losses.

C. The actual issuance price are proposed to be authorized to the Board of Directors to determine within the range approved by the shareholders meeting, after taking into consideration the market status and qualification of specific parties. Considering compliance with the regulations on matters of private placement of securities., the price determination above shall be reasonable.

(2) Specific investor selection method and purpose, necessity and expected benefits:

A. Specific investor selection method and purpose : The strategic investors have the priority to be considered as specific parties for private placement if they may being qualified for the rules in Article 43-6, Securities and Exchange Act. offerees are selected from strategic investors in the electronics industry who are complementary and can assist the company in expanding its operational scale, and it is limited to various specific persons stipulated by the competent authority.

B. Necessity : In order to integrate the company's business and enhance its competitiveness, it is a necessary strategy for the company's long-term development to introduce complementary strategic investors from the same electronics industry who can expand the company's future operating scale.

C. Expected benefits: : It is expected to strengthen the company's competitiveness and improve operational efficiency, which is beneficial to shareholders' interests.

D. There are currently no confirmed offerees.

(3) Necessity for Private placement:

Compared with public offering, the private placement shares are not freely transferable for three years, it is more likely to ensure and strengthen the company's long-term relationship with the strategic investors, and evaluate the timeliness of fund raising; therefore, we intend to issue new shares by private placement instead of public offering.

(4)Use of proceeds, schedule and projected benefit:

The purpose of each private placement fund is to enrich working capital, improve the financial structure and introduce long-term strategic partners. It is expected to strengthen our competitiveness, upgrade operating efficiency, and reinforce stable growth of company operations, which can benefit shareholders' equity.

3. The rights and obligations of the common shares issued by he private placement of cash capital increase are the same as those of the company's issued common shares. Except for the transfer objects that meet the requirements of Article 43-8 of the Securities and Exchange Act, the common shares of this private placement shall be restricted and non-transferable for 3 years starting from

the date of delivery. After 3 years from the date of delivery of private placement common stocks, the Company may apply to the competent authority in accordance with relevant regulations for the supplementary issuance of shares through a public offering and for listing on the stock exchange.

4. It is proposed to request the shareholders' meeting to authorize the Chairman of the Board of Directors to sign, and negotiate all deeds and documents relating to the private placement of common shares on behalf of the Company, and to conduct all undertakings necessary for the Company in connection with the issuance of the private placement of common shares.
5. The Company will authorize the Board of Directors to divide the funds into one or two tranches within one year from the date of the shareholders' meeting. If the private placement cannot be completed within the one-year period, the shareholders' meeting shall be requested to authorize the board of directors to convene a board meeting before the expiration of the period to discuss not to continue the private placement, and go to the MOPS to disclose information based on major information.
6. The board of directors has resolved to conduct a private placement. During the shareholders' meeting on June 18, 2024, a re-election of directors (including independent directors) will be conducted for a total of seven seats. Although two of the directors will be newly appointed, resulting in a change of more than one-third of the board members, more than half of the seven board seats will still be controlled by the original major shareholders after the re-election. Therefore, there will be no significant change in managerial control.
7. It is proposed that the Board of Directors is authorized by the shareholders' meeting to adjust, formulate and handle the private placement plan, including the actual number of shares to be placed, the actual price of the private placement, the conditions of issuance, the planned projects, and other related matters. It is also proposed that the Board of Directors is also authorized to handle any future changes due to changes in laws and regulations or when objective circumstances require such changes.

Resolution :

(IV) Election Matters

Item I: (Proposed by the Board of Directors)

Subject: 6th Election of Directors

Description : 1. The term of the fifth directors expires on June 27, 2024. It is proposed to correspond to 2024 general meeting of shareholders for re-election. The term of the original directors will expire when the re-elected director takes office.

2 、 In according to Article 59 and 60 of Companies Law, it is proposed to elect 7 directors(including 3 Independence directors). The nomination system of director candidates will be adopted, and the term of office is three years, and they can be re-elected.

3 、 The term of newly-elected directors will start from June 18, 2024 to June 17, 2027.

4 、 A Cumulative Voting System is adopted and Proceure for Election of Directors is listed in Appendix Four.

5 、 A Candidate Nomination System is adopted, the candidates list approved by 18th meeting of the 5th Board of Directors.

Nominee Category	Nominee Name	Current number of shares held	Registered household in Taiwan	Education Experience	Current Position	Name of Presenting Government/ Juridical Person	Serve as independent director for consecutive three sessions
Director	Hsu, Chi-Feng	8,293,981	Yes	Changhua Yang-Ming Middle School Vice Manager of Manufacturing Department of Li Yao Industrial Co., Ltd. Vice General Manager of Wei Yao Industrial (Shareholding) Co., Ltd.	Chairman and General Manager of Lemtech Holdings Co., Limited Director of Lemtech Global Solution Co. Ltd. Chairman of Lemtech Precision Material (China) Co., Ltd Director of LDC Precision Engineering Co., Ltd Director of Lemtech Technology Limited Director of Aapico Lemtech (Thailand) Co., Ltd. Director of Lemtech USA INC. Director of Lemtech Industrial Services Ltd Chairman of Kunshan Lemtech Slide Technology Co., Ltd. Chairman of Zhenjiang Emtron Surface Treatment Limited Chairman of Lemtech Energy Solutions Corporation Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech International Limited Chairman of Lemtech Electronics Technology (Changshu) Co., Ltd Chairman of LemTech Global Industries Ltd. Chairman of Lemtech Precision Engineering (Tianjin) Co.,Ltd Director of Lemtech Mexico S.A. de C.V.	No	N/A

Nominee Category	Nominee Name	Current number of shares held	Registered household in Taiwan	Education Experience	Current Position	Name of Presenting Government/ Juridical Person	Serve as independent director for consecutive three sessions
Director	Ye, Hang	5,647,238	No	Director of Mould Design Department of Amtek Engineering Ltd, CA SBU Manager of Business Department of Kunshan Eson Precision Engineering Co., Ltd. Shanghai Workers College for Mechanotronics	Director and Technical Chief of Lemtech Holdings Co., Limited Director of Lemtech Global Solution Co. Ltd. Director of Lemtech Precision Material (China) Co., Ltd Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech International Limited Director of Lemtech Electronics Technology (Changshu)Co., Ltd	No	N/A
Director	Tan, Yong	2,094,016	No	Shanghai Machine Tool Electric Appliance Plant Technical Head Head of Mould Department of Shanghai Pioneer Speakers Co., Ltd. Sales Director of Shanghai Chin Jih Metal Products Co., Ltd.	Director of Lemtech Holdings Co., Limited Director/ Factory Special Assistant of General Manager of Lemtech Precision Material (China) Co., Ltd	No	N/A
Director	Chen, Hui-Min	0	Yes	Master of Business Administration M.B.A. Of National Taiwan University Senior Accountant of Deloitte & Touche	Chairman of Huifengfu Management Consulting Co., Ltd.	No	N/A
Independent Director	Frank Cheng	0	Yes	Oklahoma Central State University MBA Tamkang University BBA Micro-Star International Co. V. P. President of Liuski International, Inc.	Independent Director of Lemtech Holdings Co., Limited	No	No
Independent Director	Wang, Chi-Chuan	0	Yes	Ph.D., Department of Mechanical Engineering National Yang Ming Chiao Tung University University Chair Professor, Department of Mechanical	Independent director of Cryomax cooling system Independent director of King Shing Industrial Co., LTD University Chair Professor,	No	No

Nominee Category	Nominee Name	Current number of shares held	Registered household in Taiwan	Education Experience	Current Position	Name of Presenting Government/ Juridical Person	Serve as independent director for consecutive three sessions
				Engineering, National Yang Ming Chiao Tung University	Department of Mechanical Engineering, National Yang Ming Chiao Tung University		
Independent Director	Hsieh, Ainsley	0	Yes	Master of Laws of New York University Master of Business Administration of Department of International Business Management Consultant of Chung-Fu Accounting Firm	Independent director of TungThih Electronic Co., Ltd. Lawyer of Ainsley Attorneys-at-Law	No	No

Election Result:

V. Other Proposals

Item I: (Proposed by the Board of Directors)

Subject: Proposal of release the prohibition on directors from participation in competitive business

Description: 1. Article 209 of the Company Act stipulates that a director who does anything for

himself/herself or on behalf of another person that is within the scope of the company's business shall explain to the shareholders the essential contents of such an act and secure their approval at the shareholders' meeting.

2. Due to business demands, the company intends to request the shareholders' meeting to approve the removal of restrictions on competing with the company by directors.

3. For the content of the proposal of release the prohibition on directors from participation in competitive business, please refer to Attachment 7 of this handbook(page 34).

Resolution :

VI. Extemporary motions

VII. Adjournment

Attachment 1. 2023 Business Report

Dear Shareholders,

Lemtech Group experienced a slowdown in 2023, primarily due to ongoing uncertainties in customer orders following the post-pandemic period. Supply chain disruptions and inflationary pressures also adversely affected our sales revenue across various markets. Additionally, escalating trade tensions between major economies and geopolitical uncertainties in certain regions further contributed to volatility and unpredictability in our business environment.

Despite facing significant macroeconomic and geopolitical disruptions that impacted the group's operations and financial performance in 2023 - resulting in a 22% decrease in sales revenue to NTD 4.664 billion (compared to NTD 5.985 billion the previous year) and a 37% decrease in net profit to NTD 274 million (compared to NTD 435 million the previous year) - Lemtech group still managed to deliver a profitable performance in FY2023.

In terms of financial discipline, Lemtech group has reduced its net debt by 74% to NTD 227 million compared to 2022. Furthermore, the operating cash flow has improved significantly by 367%, resulting in a robust liquidity position of NTD 1.124 billion. This strong liquidity position enables the company to meet its obligations in the coming years.

The results achieved by Lemtech group demonstrate the resilience of its business model in navigating the challenges of a volatile market while maintaining financial stability. The group remains committed to making progress towards the goals outlined in its strategic plan, with a focus on increasing value generation for all stakeholders.

Looking ahead, we are optimistic about the future prospects of Lemtech Group, especially considering the projects already nominated. These projects hold significant potential to drive positive revenue outcomes. Furthermore, Lemtech Group has undergone restructuring, now comprising three main divisions: Automotive and Precision Stamping Division (APS), Assembly & Integration Division (A&I), and Advanced Thermal Solutions Division (ATS). This restructuring aims to enhance operational efficiency and responsiveness to market demands.

The Automotive & Precision Stamping Division (APS) will be focused on mass volume precision stampings, mechanical weldments & assemblies, primarily for the Automotive market segment. Our focus on vehicle safety and security modules has since been expanded to electric vehicles (EV); this now includes solutions for autonomous driving systems (ADAS), components for battery stacks. As the automotive industry undergoes the transition to electrification and decarbonization, our APS division will capitalize on the shift to drive new revenue and growth. Also, with these same core technical capabilities and capacities, the APS division is poised also to serve other market segments in communications and industrials, and a notable mention would be the Communication market segment, specifically Satellite Internet Antennas, that we have been growing over the last few years.

The Assembly & Integration Division (A&I) is fully capable of providing comprehensive mechanical, electro-mechanical, final assembly, integration & test (FATP) solutions for multiple market segments. These include Cloud Computing, Connected Fitness, Semiconductors and Green Energy. With the rapid advancement of AI, emerging technology platforms, and the proliferation of smart devices, these trends indicate the advent of a transformative era, presenting significant growth opportunities for our A&I division.

The Advanced Thermal Solution Division (ATS) has been streamlined to design and develop highly customized cooling solutions across diverse market segments that includes Cloud Computing, Automotive, Networking Switches, Telecommunication and Energy Storage. With our current top-notch research and development teams in Taiwan and China, coupled with expanding manufacturing capacities and global footprint, we can offer our customers multiple thermal technologies. These include both

advanced Passive and Active thermal module solutions for the segments we serve. The AI drive is also pushing ASIC power to new heights, and this falls nicely into our technology and solution roadmap. The EV segment also holds new opportunities for us, especially in cold plates cooling solutions. Overall, our ATS division is strategically positioned to capitalize on the growth opportunities of all these market segments.

Lemtech group will continue to implement automation in production to improve efficiency and quality while reducing reliance on manual labor. We remain committed to business discipline and constant focus on operational excellence, while preserving our financial strength and investing in projects that will generate future value for our shareholders and the rest of our stakeholders.

I. 2023 Business Report

(I) Implementation results of the business plan

Unit: Thousand NTD

Item \ Year	2023	2022	Amount of increase (decrease)	Change by percentage (%)
Net operating revenue	4,664,224	5,984,928	(1,320,704)	(22.07)
Operating costs	3,448,732	4,708,823	(1,260,091)	(26.76)
Gross profit	1,215,492	1,276,105	(60,613)	(4.75)
Operating expenses	886,969	813,542	73,427	9.03
Net operating income	328,523	462,563	(134,040)	(29.98)
Non-operating income and expenses	(28,953)	67,904	(96,857)	(142.64)
Net income before tax	299,570	530,467	(230,897)	(43.53)
Less: Income tax expenses	25,071	95,313	(70,242)	(73.70)
Net income for this period	274,499	435,154	(160,655)	(36.92)

Analysis on the change of amount of increase/decrease:

1. Decrease in operating revenue: Mainly due to in the first half of the year, customers of Internet fitness equipment were still digesting inventory, resulting in a decrease in operating income compared with last year..
2. Decrease in operating costs: As operating income decreases, costs also decrease.
3. Decrease in gross profit: Mainly due to series recorded inventory depreciation losses, resulting in a decrease in gross profit..
4. Increase in operating expenses: Mainly due to the increase in expenses related to the Mexican subsidiary.
5. Decrease in net operating income: Mainly due to the decrease in revenue and the addition of a Mexican subsidiary.
6. Increase in non-operating expenses: Mainly due to the provision of goodwill impairment losses.
7. Decrease in net income before tax: Mainly due to the decrease in gross profit and the increase in administrative expenses and goodwill impairment losses.
8. Decrease in income tax expenses: Mainly due to the decrease in pre-tax net profit for the current period, resulting in a decrease in income tax expenses.
9. Decrease in net income for this period: Mainly due to the decrease in operating gross profit and the provision of goodwill impairment losses.

- (II) Analysis of financial revenues and expenditures and profitability: We focuses on enhancing the portfolio of products which generate higher gross profit, integrating client resources, strengthening cooperation with well-known enterprises. Our financial operations have been consistent and stable, and revenue and expenditures are in good condition.

Unit: %

Item \ Year		2023	2022	Increase (decrease)
Financial structure	Ratio of liabilities to assets	51.62	56.84	(5.22)
	Ratio of long-term capital to fixed assets	283.01	242.36	40.65
Debt service ability	Current ratio	172.02	124.74	47.28
	Quick ratio	133.77	98.69	35.08
Profitability	Asset return ratio	4.41	5.78	(1.37)
	Shareholders' equity return ratio	7.96	13.44	(5.48)
	Basic earnings per share (NTD)	4.18	6.27	(2.09)

II. 2024 Business Plan

Operating Strategies

a. Production and Manufacturing Strategies:

We embrace automation and new technologies to reduce labor dependency, speed up production, and minimize waste. Our strict quality control ensures our products meet industry standards, and we continuously seek process improvements through analysis and optimization.

b. Supply Chain Management Strategies:

We optimize our sourcing, procurement, and logistics for timely, cost-effective delivery of high-quality materials. We build long-term partnerships with suppliers based on trust and shared values, continuously improving supply chain performance through data analytics and collaboration.

c. Sales and Marketing Strategies:

We use digital marketing to reach more customers and showcase our manufacturing capabilities. The sales team focuses on nurturing existing relationships and finding new leads through networking. Our goal is to stand out by delivering top-quality products and exceptional service.

d. Research and Development Strategies:

We are dedicated to investing in technology research and development to lead our industry. We create innovative solutions that meet our customers' changing needs and improve our efficiency and sustainability. We also collaborate with top academic institutions to enhance our knowledge and capabilities in R&D.

e. Human Resource Strategies:

We prioritize talent acquisition, employee development, and succession planning. Our employee development program enhances staff skills, while succession planning ensures leadership continuity. Our performance management system provides regular feedback and identifies areas for improvement. We're committed to fostering a diverse, inclusive workplace culture that values teamwork, innovation, and excellence.

f. Financial Strategies:

We keep improving our capital structure and investing in high-return projects, while staying focused on managing costs and improving efficiency. By managing cash flow

proactively, assessing risks carefully, and making strategic investments, we aim to meet our financial goals and create value for our stakeholders in the long run.

g. Sustainability Strategies:

We prioritize environmental, social, and governance initiatives like energy management, waste reduction, and community engagement. Our commitment to sustainable manufacturing includes reducing our carbon footprint, improving energy efficiency, and minimizing waste. We also support our local community by sponsoring events and charitable organizations.

h. Risk Management Strategies:

We concentrate on reducing risks and ensuring business sustainability by regularly assessing internal and external risks, creating mitigation plans, and continuously monitoring and updating our risk management processes. We also have insurance coverage for potential losses and contingency plans for unexpected events.

In conclusion, we reaffirm our unwavering commitment to our operational strategies, firmly believing that these initiatives will fortify our position for sustained success in the foreseeable future. We are confident that by steadfastly adhering to these strategies will effectively realize our business objectives and deliver outstanding results for all our stakeholders.

III. Company Future Development Strategy

As we look ahead, our steadfast commitment lies in fostering sustainable growth and enhancing shareholder value. To achieve this, we have prioritized the following key areas of development:

a. Manufacturing and Technology Innovation:

We aim to streamline operations, cut costs, and boost competitiveness by investing in advanced technologies and ongoing improvement efforts. Our focus includes developing innovative manufacturing processes, improving supply chain efficiency, and using data analytics to optimize operations.

b. Geographic Expansion:

We intend to expand into new geographic regions to diversify revenue and access untapped markets, specifically targeting Southern China and South East Asia. Our priority will be industries where we have established expertise, including automotive and cloud computing. This expansion will involve investing in local talent, establishing manufacturing facilities, and collaborating with regional suppliers to meet customer needs effectively.

c. Digital Transformation:

We will continue fostering a data-driven culture to facilitate decision-making and stimulate innovation. Additionally, we will continue to provide employee training and development to equip them with the requisite skills and knowledge to effectively implement these digital initiatives.

d. Sustainability:

We are dedicated to environmentally and socially responsible operations and will uphold sustainable practices across our operations. This involves lowering our carbon footprint, minimizing energy waste, and collaborating with stakeholders to promote responsible business practices.

e. Talent Management:

We value our employees as our most important asset and will invest in talent management to attract and retain top talent. Our focus includes developing their skills, fostering a culture of teamwork and innovation, and promoting diversity and inclusion across our organization.

f. Mergers and Acquisitions:

We will seek strategic mergers and acquisitions that complement our operations, accelerating our growth objectives. Priority will be given to opportunities that align with our operations, offering synergies and access to new markets or technologies.

Through these strategic focus areas, we aim to achieve sustainable growth and deliver long-term value to our shareholders.

IV. Influenced by the external competitive environment, regulatory environment and overall business environment

Our business has operated in a swiftly changing external environment, influenced by various factors. We've closely monitored these changes and responded accordingly. Key influences we have observed include:

a. External Competitive Environment:

The dynamic economic landscape, demographic changes, and evolving employee job preferences have heightened competition for talent, alongside increased capital, and labor expenses. To effectively navigate these challenges, it is imperative to offer competitive compensation and benefits packages, while fostering an inclusive workplace culture that embraces diversity. Additionally, prioritizing continuous employee development through ongoing training initiatives, optimizing operational efficiency through streamlined processes and leveraging technology to help mitigate high capital and labor costs.

b. Regulatory Environment:

The evolving regulatory landscape has introduced new regulations affecting our operations across different regions. We have prioritized compliance by implementing measures to ensure alignment with local laws and regulations, thereby safeguarding our operations and reputation.

c. Overall Business Environment:

In response to the dynamic business landscape shaped by economic conditions, geopolitical instability, and shifting customer preferences, we have taken proactive measures to adapt and thrive. This includes diversifying our revenue streams, exploring new markets, and expanding our global manufacturing solutions to better cater to evolving customer needs. By embracing these strategies, we position ourselves to navigate challenges effectively and sustain growth in a rapidly changing environment.

Amidst the formidable challenges posed by macroeconomic headwinds and geopolitical uncertainties in 2023, Lemtech group remains committed to delivering long-term value to all our stakeholders. Through strategic initiatives focused on cost rationalization, market diversification, innovation, and risk management, we are confident in our ability to navigate through these challenging times and emerge stronger and more resilient. We appreciate your continued trust and support as we work towards overcoming these challenges and driving sustainable growth in the future.

Lemtech Holdings Co., Limited

Chairman	Hsu, Chi-Feng
General Manager	Eu, Ricky
Accounting Supervisor	Chien, Yi-Ling

Attachment 2. 2023 Audit Report by Audit Committee

Lemtech Holdings Co., Limited

Audit Report by Audit Committee

The 2023 Business Report, consolidated financial statements, and proposal of annual profit distribution are prepared by the company's Board of Directors. The CPAs of Deloitte Taiwan, Xue, Jun-Min and Chih, Jui-Chuan, have audited the aforementioned consolidated financial statements and issued the audit report.

The Audit Committee has reviewed the above books and statements submitted by the Board of Directors and has found no deviations. Therefore, pursuant to Article 14-4 of the Securities and Exchanges Act and Article 219 of the Company Act of the Republic of China, the Audit Committee hereby presents the audit report.

RESPECTFULLY SUBMITTED TO

Lemtech Holdings Co., Limited

Convener of the Audit Committee: Yang, Rui-Long

March 4, 2024

Attachment 3. Comparison Table of the " Rules of Procedure for Board of Directors Meetings " before and after the Amendments

Amended Content	Original Content	Explanations
<p>Article 8</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>on the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Article 8</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Revised in accordance with Jinguanzhengfazi No. 1120383996 Letter</p>
<p>Article 11</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply mutatis</p>	<p>Article 11</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply mutatis</p>	<p>Revised in accordance with Jinguanzhengfazi No. 1120383996 Letter</p>

Amended Content	Original Content	Explanations
<p>mutandis.</p> <p><u>If the chairman of the board of directors is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, the selection and appointment of its agent shall apply to the provisions of Paragraph 3 of Article 7.</u></p>	<p>mutandis.</p>	

Attachment 4. 2023 Auditors' Report and Financial Statements

Independent Auditors' Report

Lemtech Holdings Co., Limited public notice:

Audit opinion

Lemtech Holdings Co., Limited (Lemtech Holding Group) and its subsidiaries' Consolidated Balance Sheets as of December 31, 2023 and 2022, in addition to the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statements of Cash Flows, and Notes for Consolidated Financial Statement (including a summary of significant accounting policies) from January 1 to December 31, 2023 and 2022, have been audited by the CPAs.

In our opinion, the consolidated financial statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Lemtech Holding Group and its subsidiaries as of December 31, 2023 and 2022, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2023 and 2022.

Basis for Auditor's Opinions

We conducted review work in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards, we implemented the review work. Our responsibilities required under said standards will be detailed in the paragraph about the external auditor's responsibility on auditing consolidated financial statements. We are independent of the company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other obligations under the Norm. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Lemtech Holding Group for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Lemtech Holding Group and its subsidiaries for the year ended December 31, 2023 are stated as follows:

Key Audit Matters: Revenue recognition authenticity of partial specific customer

The revenue of Lemtech Holding Group is mainly derived from automotive parts. Since the materiality and the Statements on Auditing Standards has defaulted revenue recognition as a significant risk. Therefore, the assessment of the authenticity of sales transactions with major customers meeting certain conditions was listed as a key audit matter. For details of the revenue recognition policy, please refer to Note 4 and 26 of the consolidated financial report.

In addition to testing related internal control, our major audit procedures executed on the key audit matter are as follows.

1. Sampling check the details of sales revenue transactions of specific customer groups and the corresponding sales orders, bills of offset and receipts to confirm that sales transactions have actually occurred.
2. Confirm the authenticity of the foregoing transactions after the implementation of the balance sheet date that whether there is a major sales return and discount test and whether the return discount is reasonable.

Responsibility of the management and the governing body for the consolidated financial statements

It is the management's responsibility to fairly present the consolidated financial statements in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRS, IAS, IFRIC, and SIC endorsed by the FSC, and to sustain internal controls respecting preparation of the consolidated financial statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing the company's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the company or terminate the business, or has no realistic alternative but to do so.

The governing bodies of the company (including the audit committee) have the responsibility to oversee the procedures for financial reporting.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to the auditing standards in the Republic of China. We also execute the following tasks:

1. Identify and assess the risks of material misstatement within the consolidated financial statements, whether due to fraud or error; design and execute counter-measures in response to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances. However, the purpose is not to express an opinion on the effectiveness of the company's internal control.
 3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
 4. Based on the audit evidence obtained, to conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or circumstances may cause the company to no longer continue as a going concern.
 5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), 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 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 governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them on all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Taipei, Taiwan (Republic of China)

March 11, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Units: NT\$1,000

Code	Total assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6 and 34)	\$ 1,459,029	20	\$ 1,477,691	19
1110	Financial assets at fair value through profit or loss - Current (Note 7 and 34)	-	-	177,240	2
1136	Financial assets at amortized cost - Current (Note 8, 9, 34, and 36)	166,795	2	260,300	3
1150	Note receivables (Note 10, 26, and 34)	5,181	-	1,543	-
1170	Account receivables (Note 10, 26, 34, and 35)	1,464,780	20	1,867,166	24
1197	Finance lease receivables (Note 11 and 34)	-	-	1,959	-
1200	Other receivables (Note 10 and 34)	23,736	1	22,691	-
1220	Current tax assets (Note 28)	10,512	-	2,955	-
130X	Inventory (Note 12)	813,058	11	924,981	12
1410	Prepayments (Note 20)	82,159	1	82,817	1
1470	Other current assets (Note 20)	667	=	5,401	-
11XX	Total Current Assets	4,025,917	55	4,824,744	61
Non-current assets					
1535	Financial assets at amortised cost - Non-current (Note 8, 9, and 34)	43,352	1	44,094	1
1550	Investment using equity method (Note 14)	44,511	1	50,350	1
1600	Real estate, plant, and equipment (Note 15, 32 and 36)	1,542,958	21	1,394,179	18
1755	Right-of-use assets (Note 16)	324,505	4	286,720	4
1760	Investment property, net (Note 17)	988,452	14	996,607	13
1805	Goodwill (Note 18)	4,335	-	72,490	1
1821	Other intangible assets (Note 19)	17,779	-	26,476	-
1840	Deferred tax assets (Note 28)	37,168	1	38,535	-
1915	Prepayments for equipment (Note 20)	229,922	3	102,097	1
1920	Refundable deposits (Note 20 and 34)	10,227	-	9,460	-
15XX	Total Non-current Assets	3,243,209	45	3,021,008	39
1XXX	Total Assets	\$ 7,269,126	100	\$ 7,845,752	100
Code	Liabilities and Equity				
Current liabilities					
2100	Short-term borrowings (Note 21 and 35)	\$ 817,712	11	\$ 774,774	10
2120	Financial liabilities at fair value through profit or loss - Current (Note 7, 22 and 34)	-	-	17,600	-
2130	Contract liabilities - Current (Note 26)	35,549	1	54,852	1
2150	Note payables (Note 23 and 34)	118,305	2	189,312	2
2170	Account payables (Note 23, 34 and 35)	892,220	12	841,896	11
2219	Other payables (Note 24 and 34)	362,605	5	293,783	4
2230	Current tax liabilities (Note 28)	9,912	-	66,127	1
2280	Lease liabilities (Note 16, 32 and 34)	65,905	1	48,652	-
2321	Corporate bonds payable - Current (Note 22 and 34)	17,913	-	1,563,696	20
2399	Other current liabilities (Note 24)	20,271	=	17,049	-
21XX	Total Current Liabilities	2,340,392	32	3,867,741	49
Non-current liabilities					
2540	Non-current portion of non-current borrowings (Note 21 and 35)	850,000	12	-	-
2570	Deferred tax liabilities (Note 28)	366,406	5	423,301	6
2580	Lease liabilities - Non-current (Note 16, 32 and 34)	182,798	3	163,145	2
2645	Deposited Margin (Note 34)	12,736	-	12,570	-
25XX	Total non-current liabilities	1,411,940	20	599,016	8
2XXX	Total Liabilities	3,752,332	52	4,466,757	57
Equity attributable to owners of the company (Note 25)					
Equity					
3110	Ordinary stock	621,928	9	621,928	8
3200	Capital surplus	1,462,967	20	1,462,846	19
Retained earnings					
3350	Unappropriated retained earnings	1,389,191	19	1,215,668	15
3300	Total Retained Earnings	1,389,191	19	1,215,668	15
3410	Exchange differences on translation of foreign financial statements	(59,066)	(1)	(13,996)	-
31XX	Equity attributable to shareholders of the parent	3,415,020	47	3,286,446	42
36XX	Uncontrolled equity	101,774	1	92,549	1
3XXX	Total equity	3,516,794	48	3,378,995	43
Total Liabilities and Equity		\$ 7,269,126	100	\$ 7,845,752	100

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Statement of Comprehensive Income

Jan. 1 to Dec. 31, 2023 and Jan. 1 to Dec. 31, 2022

(Units: NT\$1,000, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Note 26 and 35)				
4110	Sales	\$ 4,734,673	102	\$ 6,057,992	101
4190	Sales returns and allowances	(70,449)	(2)	(73,064)	(1)
4000	Total operating revenue	4,664,224	100	5,984,928	100
5000	Operating cost (Note 12 and 35)	(3,448,732)	(74)	(4,708,823)	(79)
5900	Gross profit	1,215,492	26	1,276,105	21
	Operating expenses (Note 27 and 35)				
6100	Selling expenses	(177,687)	(4)	(186,049)	(3)
6200	Administrative expenses	(501,188)	(11)	(411,533)	(7)
6300	Research and development expenses	(210,569)	(4)	(204,050)	(3)
6450	Expected credit impairment loss	2,475	-	(11,910)	-
6000	Total operating expenses	(886,969)	(19)	(813,542)	(13)
6900	Net operating profit	328,523	7	462,563	8
	Non-operating income and expenses (Note 27)				
7100	Interest income	48,657	1	16,390	-
7010	Other income	67,468	1	39,045	1
7020	Other gains and losses	(75,285)	(2)	52,106	1
7050	Finance costs	(63,916)	(1)	(36,810)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	(5,877)	-	(2,827)	-
7000	Total non-operating income and expenses	(28,953)	(1)	67,904	1

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Code		2023		2022	
		Amount	%	Amount	%
7900	Net income before taxes from continuing operations	\$ 299,570	6	\$ 530,467	9
7950	Income tax expenses (Note 28)	(25,071)	-	(95,313)	(2)
8200	Net profit for the period	274,499	6	435,154	7
	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to gain or loss:				
8361	Exchange differences on translation of foreign financial statements	(49,154)	(1)	68,615	1
8300	Other comprehensive income/(loss) for the year, net of income tax	(49,154)	(1)	68,615	1
8500	Total comprehensive income	\$ 225,345	5	\$ 503,769	8
	Net income attributable to				
8610	Shareholders of the parent	\$ 260,095	6	\$ 390,763	6
8620	Uncontrolled equity	14,404	-	44,391	1
8600		\$ 274,499	6	\$ 435,154	7
	Total comprehensive income (loss) attributable to				
8710	Shareholders of the parent	\$ 215,025	5	\$ 459,177	7
8720	Uncontrolled equity	10,320	-	44,592	1
8700		\$ 225,345	5	\$ 503,769	8
	Earnings per share (Note 29)				
	From continuing business				
9710	Basic	\$ 4.18		\$ 6.27	
9810	Diluted	\$ 4.18		\$ 5.68	

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Statement of Changes in Equity

Jan. 1 to Dec. 31, 2023 and Jan. 1 to Dec. 31, 2022

Units: NT\$1,000

		Equity attributable to owners									
Code		Share capital			Retained earnings		Exchange differences on translation of financial statements of foreign operations	Treasury stock	Total	Uncontrolled equity	Total equity
		Number of Shares (in Thousands)	Amount	Capital surplus	Special reserve	Unappropriated retained earnings					
A1	Balance as of January 1, 2022	62,521	\$ 625,208	\$ 1,480,562	\$ 113,584	\$ 941,152	(\$ 82,410)	\$ -	\$ 3,078,096	\$ 17,970	\$ 3,096,066
	Appropriation of earnings										
B3	Special reserve	-	-	-	(113,584)	113,584	-	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(187,234)	-	-	(187,234)	-	(187,234)
	Other additionalpaid-incapital										
O1	Non-controlling interests	-	-	(15,969)	-	(13,223)	-	-	(29,192)	29,987	795
L1	Treasury shares buyback	-	-	-	-	-	-	(34,401)	(34,401)	-	(34,401)
L3	Retirement of treasury shares	(328)	(3,280)	(1,747)	-	(29,374)	-	34,401	-	-	-
D1	2022 Net Profit	-	-	-	-	390,763	-	-	390,763	44,391	435,154
D3	2022 Other Comprehensive Income (Loss) after tax	-	-	-	-	-	68,414	-	68,414	201	68,615
D5	Total comprehensive income (loss) in 2022	-	-	-	-	390,763	68,414	-	459,177	44,592	503,769
Z1	Balance as of December 31, 2022	62,193	621,928	1,462,846	-	1,215,668	(13,996)	-	3,286,446	92,549	3,378,995
	Appropriation of earnings										
B5	Cash dividend attributable to shareholders	-	-	-	-	(86,572)	-	-	(86,572)	-	(86,572)
	Other additionalpaid-incapital										
O1	Non-controlling interests			121	-				121	(1,095)	(974)
D1	2023 Net profit	-	-	-	-	260,095	-	-	260,095	14,404	274,499
D3	2023 other comprehensive profit and loss after tax	-	-	-	-	-	(45,070)	-	(45,070)	(4,084)	(49,154)
D5	2023 total comprehensive profit and loss	-	-	-	-	260,095	(45,070)	-	215,025	10,320	225,345
Z1	Balance as of December 31, 2023	62,193	\$ 621,928	\$ 1,462,846	\$ -	\$ 1,389,191	(\$ 59,066)	\$ -	\$ 3,415,020	\$ 101,774	\$ 3,516,794

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Cash Flows
Jan. 1 to Dec. 31, 2023 and Jan. 1 to Dec. 31, 2022

Units: NT\$1,000

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax of the current year	\$ 299,570	\$ 530,467
A20010	Income Charges (Credits):		
A20100	Depreciation expenses	346,361	302,246
A20200	Amortization expense	14,233	12,734
A20300	Expected credit (returning profits) impairment loss	(2,475)	11,910
A20400	Net (profit) loss of financial assets and liabilities measured at fair value through profit and loss	(2,015)	10,324
A20900	Finance costs	63,916	36,810
A21200	Interest income	(48,657)	(16,390)
A22300	Share of profit (loss) of associates and joint ventures accounted for using the equity method	5,877	2,827
A22500	Gains on disposal of real estate, plant, and equipment	3,542	20,504
A23700	Goodwill impairment loss	68,155	-
A23700	Allowance for inventories	7,997	12,879
A29900	gain on Disposal of subsidiary company of investments	(5)	-
A24100	Net foreign currency exchange profits	20,223	34,134
A24200	Loss from redemption and reversal of corporate bonds payables	9,509	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(3,638)	2,304
A31150	Accounts receivable	405,062	30,524
A31180	Other receivables	(1,045)	13,527
A31200	Inventories	104,663	(64,112)
A31230	Prepayments	658	(18,155)
A31240	Other current assets	4,734	1,226
A32125	Contract liabilities	(19,303)	(61,624)
A32130	Notes payable	(71,007)	(3,780)
A32150	Accounts payable	50,324	(482,610)
A32180	Other payables	21,421	(54,962)
A32230	Other current liabilities	3,222	3,800
A33000	Cash from operating activities	1,281,322	324,583
A33300	Interest paid	(40,821)	(11,926)
A33500	Income tax paid	(116,077)	(72,064)
AAAA	Net cash flows from operating activities	1,124,424	240,593

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Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	\$ -	(\$ 304,394)
B00050	Disposal of financial assets at amortized cost	94,247	-
B00100	Acquisition of financial assets at fair value through profit or loss	-	(176,376)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	130,056	44,094
B02700	Purchase of real estate, plant, and equipment	(472,311)	(442,772)
B02800	Disposal of real estate, plant, and equipment	2,200	61,452
B03700	Refundable deposits paid	(767)	(3,212)
B04500	Purchase of intangible asset	(5,687)	(6,314)
B05400	Acquisition of investment properties	-	(1,002,044)
B07100	Increases Prepayments for business facilities	(108,723)	-
B07200	Decrease in prepayments for business facilities	-	14,811
B06100	Decrease in long-term lease and installment receivables	1,978	6,661
B07500	Interest received	48,638	16,113
BBBB	Net cash generated from/(used in) investing activities	(310,369)	(1,791,981)
	Cash flows from financing activities		
C00100	Increases in short-term borrowings	42,938	-
C00200	Decrease in short-term borrowings	-	(159,765)
C01300	Repayments of bonds	(1,589,825)	-
C03000	Guarantee deposits received	850,000	-
C03100	Guarantee deposits received return	166	3,436
C04020	Cash payments for the principal portion of the lease liability	(77,974)	(66,218)
C05400	Acquisition of ownership interests in subsidiaries	(974)	(14,205)
C05800	Change in non-controlling interests	-	15,000
C04500	Dividend paid to shareholders	(32,182)	(155,984)
C04900	Payments for buy-back of ordinary shares	-	(34,401)
CCCC	Net cash (outflow) inflow from fundraising activities	(807,851)	412,137
DDDD	Effect of exchange rate changes on cash and cash equivalents	(24,866)	48,621
EEEE	Net increase in cash and cash equivalents	(18,662)	(1,914,904)
E00100	Cash and cash equivalents at beginning of year	1,477,691	3,392,595
E00200	Cash and cash equivalents at end of year	\$ 1,459,029	\$ 1,477,691

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

Attachment 5. 2023 Annual Profit Distribution Table

Lemtech Holdings Co., Limited Annual Profit Distribution Table 2023

Unit: NTD	
Item	Amount
Opening undistributed earnings (2023.01.01)	1 ,170,576,574
Less: Adjusted retained earnings for investments accounted for using the equity method	
Less: Treasury Stock Retired	
Add: 1Q23Net profit after tax	1,251,710
Add: 2Q23Net profit after tax	9,899,982
Add: 3Q23Net profit after tax	128,717,361
Add: 4Q23Net profit after tax	120,225,810
Less: 1Q23Special reserve	
Less: 2Q23Special reserve	(60,196,914)
Less: 3Q23Special reserve	74,193,187
Less: 4Q23Special reserve	(59,066,215)
Earnings to be distributed	1,385,601,495
Less:1Q23Cash Dividends to Common Share Holders	
Less:2Q23 Cash Dividends to Common Share Holders	(3,980,338)
Less:3Q23 Cash Dividends to Common Share Holders	(51,495,618)
Less:4Q23Cash Dividends to Common Share Holders	(48,075,015)
Closing undistributed earnings	1,282,050,524

Chairman	Hsu, Chi-Feng
President	Eu, Ricky
Financial Manager	Chien, Yi-Ling

Attachment 6. Comparison Table of the "Memorandum and Articles of Association" before and after the Amendments

Amended Content	Original Content	Explanation
<p>Article 63</p> <p>The Board shall have a chairman (the “Chairman”) elected and appointed in term by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as Chairman at every meeting of the Board and general meeting convened by the Board. To the extent the Chairman is not able to be present at a meeting of the Board, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of the meeting of the Board.</p>	<p>Article 63</p> <p>The Board shall have a chairman (the “Chairman”) and <u>a vice-chairman</u> elected and appointed in term by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as Chairman at every meeting of the Board and general meeting convened by the Board. To the extent the Chairman is not able to be present at a meeting of the Board, he shall designate one of the Directors to act on his behalf. In the absence of such designation, <u>the vice-chairman shall act as the deputy chairman; if the vice chairman also takes leave or is unable to perform his duties for any reason,</u> the attending Directors may choose one of them to be the chairman of the meeting of the Board.</p>	<p>Delete the rules of vice-chairman in accordance of corporate governance policy</p>

Attachment 7. Contents of Release The Prohibition on Directors from Participation in Competitive Business

Title	Name	Name of the company serving concurrently and position
Chairman	Hsu, Chi-Feng	Director of Lemtech Global Solution Co. Ltd. Chairman of Lemtech Precision Material (China) Co., Ltd Director of LDC Precision Engineering Co., Ltd Director of Lemtech Technology Limited Director of Aapico Lemtech (Thailand) Co., Ltd. Director of Lemtech USA INC. Director of Lemtech Industrial Services Ltd Chairman of Kunshan Lemtech Slide Technology Co., Ltd. Director of Zhenjiang Emtron Surface Treatment Limited Chairman of Lemtech Energy Solutions Corporation Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech International Limited Chairman of Lemtech Electronics Technology(Changshu) Co., Ltd Chairman of LemTech Global Industries Ltd. Chairman of Lemtech Precision Engineering (Tianjin) Co.,Ltd Director of Lemtech Mexico S.A. de C.V. Principle of Total Vantage Technology Limited
Director	Ye, Hang	Director of Lemtech Global Solution Co. Ltd. Director of Lemtech Precision Material (China) Co., Ltd Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech Lemtech International Limited Director of Lemtech Electronics Technology(Changshu)Co., Ltd
Director	Tan, Yong	Director/Factory Special Assistant of General manager of Lemtech Precision Material (China) Co., Ltd
Director	Chen, Hui-Min	None
Independent Director	Frank Cheng	None
Independent Director	Wang, Chi-Chuan	Independent director of Cryomax cooling system Independent director of King Shing Industrial Co., LTD
Independent Director	Hsieh, Ainsley	Independent director of TungThih Electronic Co., Ltd.

Appendix 1. Memorandum and Articles of Association

THE COMPANIES ACT (REVISED)

COMPANY LIMITED BY SHARES

THIRTEENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF Lemtech Holdings Co., Limited

(as adopted by a Special Resolution passed on 27 June, 2023)

1. The name of the company is Lemtech Holdings Co., Limited.
2. (1) The registered office of the Company shall be at the offices of Quality Corporate Services Ltd., Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., Grand Cayman, KY1-9006 Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.
(2) The Company may set up branch offices as deemed necessary for its business operations.
(3) The establishment, dissolution and change of status of branches as referred to in the preceding paragraph shall be decided by the Board from time to time.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law of the Cayman Islands (as amended from time to time).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licenced.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NT\$1,000,000,000 divided into 100,000,000 shares of a nominal or par value of NT\$10 each. provided always that subject to the provisions of the Companies act (revised) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

The Company may invest in other enterprises as deemed necessary for its business operations, and may, upon the approval of the Board, act as a shareholder with limited liability of another company, and its total amount of investments in other enterprises may exceed 40% of the amount of its own paid-up capital without being subject to the requirement set out in Paragraph 2, Article 13 of Company Act of the R.O.C..

THE COMPANIES ACT (REVISED)

COMPANY LIMITED BY SHARES

THIRTEENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF Lemtech Holdings Co., Limited

(as adopted by a Special Resolution passed on 27 June, 2023)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies act (revised) of the Cayman Islands (as amended from time to time) shall not apply to this Company.
2. (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules	the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Securities and Exchange Act of the R.O.C., Company Act of the R.O.C., the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area of the R.O.C., or any similar statute and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Taipei Exchange or the Taiwan Stock Exchange;
Articles	these Articles of Association of the Company, as amended or substituted from time to time by Special Resolution;
Audit Committee	has the meaning set forth in Article 69;
Remuneration Committee	has the meaning set forth in Article 65-1;
Board	the board of Directors of the Company comprising all the Directors;
Business Day	means a day (other than a Saturday or Sunday) on which banks are generally open in Taiwan for normal business;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 63;
Class or Classes	any class or classes of Shares as may from time to time be

	issued by the Company;
Commission	Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	Lemtech Holdings Co., Limited;
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company for the time being who collectively form the Board, and “Directors” means 2 or more of them;
Electronic	has the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;
Electronic Communication	means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;
Emerging Market	the emerging market board of the Taipei Exchange in the R.O.C.;
Financial Statements	has the meaning set out in Article 98;
Taipei Exchange or TPEx	the Taipei Exchange in the R.O.C.;
Independent Director	those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules;
Juristic Person	a firm, corporation, union, association, government agency or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies act (revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber and “Members” or “Shareholders” means 2 or more of them;

Memorandum of Association	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such company as the surviving company within the meaning of the Law;
Month	a calendar month;
NT\$	New Taiwan Dollars;
Ordinary Resolution	a resolution passed by a simple majority of the Members present at a general meeting who represent more than one-half of the total outstanding Shares of the Company;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Preferred Shareholders	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private placement	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private placement	an offer by the Company of its securities to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company to be maintained at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company registered in the Emerging Market or first become listed on the TPEx, TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts

	in the R.O.C.;
R. O. C. Laws	the laws and regulations of the R.O.C., including without limitation to the Applicable Listing Rules;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Exchange	means that the Company transfers all its issued shares to another company in exchange for shares, cash or other assets of the other company as the consideration for shareholders of the Company;
Share Premium Account	the share premium account established in accordance with these Articles and the Law;
Shareholders' Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules, to the Company;
signed	includes representation of a signature affixed by mechanical means or an electronic symbol or process;
Special Reserve	has the meaning set out in Article 91;
Special Resolution	<p>a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds of Members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and such general meeting attended by the Members representing more than one-half of the outstanding shares of the Company.</p> <p>A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;</p>
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;
Subordinate Company	companies (i) of which a majority of the total outstanding voting

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

TWSE

the Taiwan Stock Exchange Corporation.

- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires:
 - (a) words importing the singular number shall include the plural number and vice-versa;
 - (b) words importing the masculine gender shall include the feminine gender and neuter genders;
 - (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
 - (d) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

- 3. Subject to the Law and these Articles, the Board may, in respect of all Shares for the time being unissued:
 - (1) offer, issue, allot and dispose of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (2) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and the Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
- 3-1. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by Directors.
- 4. The Company, subject to these Articles including by approval of a Special Resolution adopted at a general meeting in accordance with Article 5, may issue Shares of different classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company ("**Preferred Shares**") with the approval of a majority of the Board present at a meeting attended by two-thirds or more of the total number of the Directors.
- 5. The issuance of any Preferred Shares approved pursuant to the preceding Article shall cause to be set forth in these Articles. The rights and obligations of the Preferred Shares include but are not limited to the following terms:
 - (a) The dividend rate of Preferred Shares is capped at 8% per annum on the issue price per share. Cash dividends shall be distributed annually at one time. Once the Company's audited financial reports have been acknowledged in the annual general meeting, the Board of Directors shall set the record date for the distribution of Preferred Dividends of such financial year. In the year of issuance and redemption of the Preferred Shares, the distribution of Preferred Dividends shall be calculated on the basis of actual number of days the Preferred Shares being outstanding in that year. Except for the foregoing Preferred Dividends, the holders of the Preferred Shares ("Preferred Shareholders") are not entitled to participate in the distribution of cash or stock dividends derived from earnings or capital reserves;

- (b) The Company has sole discretion on the distribution of Preferred Dividends. In the event that there are no profits or insufficient profits for distributing Preferred Dividends, or due to other necessary considerations, the suspension of distributing Preferred Dividends shall not be deemed as an event of default under any agreements and directions in relation to the issuance of such Preferred Shares. The Preferred Shares issued by the Company shall be non-cumulative preferred shares. Any undistributed Preferred Dividends or shortfalls in Preferred Dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings;
- (c) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, any surplus assets of the Company available for distribution to shareholders shall be first distributed to the Preferred Shareholders. All Preferred Shareholders shall rank *pari passu* and such distribution shall be capped at the respective issue amount;
- (d) The Preferred Shareholders shall have no voting rights and no rights to vote on election of directors in a general meeting. Notwithstanding the foregoing, the Preferred Shareholders shall have voting rights in a separate meeting of the Preferred Shares in accordance with Article 15;
- (e) Preferred Shares are not convertible to common shares. Preferred Shareholders have no right to request the Company to redeem the preferred shares they hold; and
- (f) Preferred Shares have no maturity date. Notwithstanding the foregoing, subject to compliance with the Companies Law, the Company may, upon the approval by the Board of Directors, redeem all or a part of the outstanding issued Preferred Shares, at any time on the next business day after five years of issuance, at the original issue price and on such terms as the Board of Directors may approve. The rights and obligations set forth in the foregoing paragraphs shall remain unchanged to the unredeemed Preferred Shareholders.

5-1 The Board of Directors is authorized to determine the name, issuance date and specific issuance terms of Preferred Shares upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles, applicable public company rules, Companies Law and other applicable laws and regulations.

- 6.(1) The issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company. The Company shall not issue any unpaid Shares or partial paid-up Shares.
- (2) The Company shall not convert the Shares into par value shares if the Company chooses to issue no par value shares.
- 7. The Company may issue Shares without printing share certificates. Any share certificate of the Company, if any, shall not be the bearer certificate.
- 8. During the Relevant Period, if at anytime the Board resolves to issue new Shares :
 - (a) Upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the employees of the Company, as determined by the Board in its reasonable discretion;
 - (b) The Company, unless otherwise resolved by Ordinary Resolution, shall after reserving the portion of Shares for subscription by its employees and for public offering in the R.O.C. pursuant to these Articles, first offer such remaining new Shares, by a public announcement according to the Applicable Listing Rules and a written notice to each existing Member for their subscription in proportion to the number of Shares held by it;
 - (c) The Company shall state in such written notice that if a subscriber delays payment for shares as provided in the preceding paragraph, the Company shall fix a period of not shorter than one month and call upon such subscriber to pay up, declaring that in case of default of payment within the stipulated period his right shall be forfeited. After the Company has made the aforesaid call, the subscriber who fails to pay accordingly shall forfeit his right and the shares subscribed to by him shall be otherwise sold. The Company may still be claimed against such defaulting subscriber for compensation for loss or damage, if any;
 - (d) Where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;

- (e) New Shares left unsubscribed by existing Members may be offered for public issuance or the Board may be authorised to offer such Shares for subscription by specific Persons through negotiation; and
 - (f) The right to subscribe for new Shares, except those reserved for subscription by employees, may be separated from the rights in original Shares and transferable independently.
9. The employees' and Members' right to subscribe for new Shares prescribed under the preceding Article shall not apply in the event that new Shares are issued for the following purpose:
- (a) in connection with a Merger/Consolidation, the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the employees;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
 - (d) in connection with meeting the Company's obligation under Share subscription warrant or Preferred Shares vested with rights to acquire Shares;
 - (e) in connection with any Share Exchange entered into by the Company, or
 - (f) in connection with any other limitation, prohibition, restriction or exemption under the Applicable Listing Rules or R. O. C. Laws.
10. During the Relevant Period, where the Company increases its issued share capital in cash, the Company shall allocate 10% of the total amount of the new Shares to be issued for offering in the R.O.C. to the public unless the Commission, or the TPEX or the TWSE considers the aforementioned public offering unnecessary or inappropriate for the Company to conduct. Provided however, if a percentage higher than the aforementioned 10% is approved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.
11. Subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution by a majority of the Board present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription right agreement with its employees whereby the employees may subscribe, within a specific period of time, for a specific number of Shares of the Company. Upon execution of the said agreement, the Company shall issue to each employee a share subscription warrant. The share subscription warrant obtained by any employee of the Company shall be non-assignable, except to the heir(s) of the said employee.
12. (1) The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules. During the Relevant Period, a capital reduction shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Listing Rules.
- (2) The Company shall, upon adoption of such resolution of capital reduction, prepare a balance sheet and an inventory of property, and then give a notice to each creditor of the Company as well as a public notice of such resolution, and shall fix a time limit of not less than thirty (30) days within which the creditors may raise their objections, if any, to such resolution.
- (3) The Company may reduce its share capital by using property, in addition to cash, to return capital contributions; the returned property and the offsetable amount for the returned property shall be decided by Ordinary Resolution, and approved by the Member(s) receiving such Property.
- (4) During the Relevant Period, the Board shall have the value of the returned property and the offsetable amount referred to in the preceding paragraph audited and certified by a certified public accountant in Taiwan prior to the general meeting.
13. During the Relevant Period, any issuance, conversion, capitalisation or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds) shall comply with the Applicable Listing Rules and the Law.
14. During the Relevant Period, the shareholder services of the Company should comply with the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C.

MODIFICATION OF RIGHTS

15. Whenever the share capital of the Company is divided into different classes of shares, including where Preferred Shares are issued, in addition to a Special Resolution, the special rights attached to any class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate

general meeting of the holders of the shares of such class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply.

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

REGISTERS

17. The Board shall cause to be kept the Register and, during the Relevant Period, there shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and the Register shall be made available at its Shareholders' Service Agent's office in the R.O.C.

DELIVERY OF SHARES

18. (1) During the Relevant Period, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver Shares by book-entry transfer to the subscribers within thirty (30) days from the date such Shares may be issued or delivered pursuant to the Law and the Applicable Listing Rules. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) For the new Shares to be issued by the Company, the Company may print a consolidated share certificate representing the total number of the new Shares to be issued at the same time of issue, in accordance with the Law, provided that the share certificate to be issued shall be placed under the custody of a centralized securities custody enterprise.

REPURCHASE OF SHARES

19. (1) Upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares in the manner authorised by the Law and the Applicable Listing Rules. Any Shares so repurchased shall be deemed cancelled immediately.
- (2) The conditions, methods and procedures for repurchase of Shares by the Company according to the preceding Article shall comply with the Law and the Applicable Listing Rules.

TREASURY SHARES

- 19-1. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TWSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.
- 19-2. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
- 19-3. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Subject to these Articles, every share certificate representing a redeemable share shall indicate that the share is redeemable.
- 19-4. Subject to the Applicable Listing Rules and Articles, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share in the Company (including a redeemable share) by agreement with the Shareholder or pursuant to the terms of the issue of the share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules and the Ordinary Resolution authorizing the manner and terms of purchase.
- 19-5. The redemption price or repurchase price may be paid in any manner authorised by the Law and these Articles. A delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) days, interest shall be

paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.

- 19-6. The Company shall be entered into the Register 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) 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.

FRACTIONAL SHARES

- 19-7 Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

TRANSFER AND TRANSMISSION OF SHARES

20. (1) Subject to the Law and the Applicable Listing Rules, Shares issued by the Company shall be freely transferable, provided that any Share subscribed by the employees of the Company may be subject to transfer restrictions for the period no longer than two years as the Board may determine in their discretion.
- (2) The Company may restrict its employees from transferring the Shares purchased by the Company and transferred to such employees for a specific period of time, but in no event shall such period exceed two (2) years.
- (3) The issuance of restricted Shares to employees by the Company shall be approved by one-half of the Members who are entitled to vote, at a general meeting attended by at least two-thirds of the total issued and outstanding Shares of the Company. In the event that the total number of shares present at such general meeting is less than the quorum specified in the preceding sentence, such issuance may be approved by Special Resolution.
- (4) In the event that the Company issues new Shares during the Relevant Period pursuant to the preceding paragraph, the number of Shares to be issued, the issuing price, the conditions of the issuance, and other related matters shall comply with the Applicable Listing Rules.
21. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register.
- 21-1. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.

CLOSING REGISTER OR FIXING RECORD DATE

22. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notice(s) of, to attend at and to vote at any general meeting(s) (or any adjournment thereof) in person, by proxy, in writing or by way of electronic transmission; and (c) for any other reason needing to ascertain shareholders.
- (2) During the Relevant Period, the Register shall be closed at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other interest distribution. For the purpose of calculating the abovementioned period, the respective convening date of general meeting or the applicable target date shall be included.
- (3) With respect to the foregoing target dates, the Board shall make public announcement on the website designated by the Commission and the TPEx or TWSE.

GENERAL MEETINGS

23. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year. The annual general meeting shall be convened by the Board. The shareholder's meeting may be held through a video conference or other methods promulgated by the competent authorities of The Company Act of the R.O.C..
24. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
25. During the Relevant Period, all general meetings shall be held in the R.O.C.. If a general meeting is to be convened outside Taiwan per the resolution of the Board, the Company shall within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 26, after the relevant Shareholders obtained the approval from the competent authority, apply for the approval of the Taipei Exchange or the TWSE.
26. (1) Any Member(s) holding at least three percent (3%) of the outstanding Shares of the Company for a period of one consecutive year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may, after obtaining an approval from the competent authority, convene the general meeting.
(2) Any Member(s) holding more than one-half of the outstanding Shares of the Company for a period of three consecutive months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the time when share transfer registration is suspended.
27. (1) The Board or any authorized convener of the general meeting may require the Company or its Shareholders' Service Agent to provide the Register.
(2) The Company shall engage a Shareholders' Service Agent within the R.O.C. to handle the administration of such general meeting, including but not limited to, the voting matters.

NOTICE OF GENERAL MEETING

28. (1) At least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. Every notice shall be exclusive of the day on which it is given and of the day on which the general meeting is to be held. Such notice shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from each Member or as permitted by the Law and the Applicable Listing Rules.
(2) The meeting notices, proxy forms, information pertaining to the proposals for adoption or discussion, or for the election or dismissal of the Director(s), and other matters shall be published thirty (30) days prior to the date of the scheduled general meeting or fifteen (15) days prior to the date of the scheduled extraordinary general meeting.
(3) If the voting rights at the meeting will be exercised in writing, a printed copy of the materials referred to in the preceding paragraph and a printed ballot shall be delivered to the Members.
29. The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions; the major content may be posted on the website designated by the Commission, the TPEX or the TWSE or the Company, and such website shall be indicated in the above notice:
 - (a) election or discharge of Directors;
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) capital reduction;
 - (d) application for the approval of ceasing the Shares to be publicly offered;
 - (e) winding-up, Merger/Consolidation or Spin-off of the Company;
 - (f) entering into, amendment to, or termination of any contract for lease, management by others, or regular joint operation with others of its business in whole;
 - (g) the transfer of the whole or any material part of its business or assets; and

- (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (i) carrying out a Private placement of equity securities;
 - (j) granting a waiver to the Director's non-competition obligation;
 - (k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
 - (l) capitalization of the Legal Reserves and capitalization of the Capital Reserve of the Company, the Share Premium Account of the Company and/or the income from endowments received by the Company as Capital Reserve, by issuing new Shares or cash to its existing Members in proportion to the number of Shares being held by each of them.
30. Except for matters prescribed in the preceding Article, a Member of the Company may raise a proposal for resolution as ad hoc motions at a general meeting, provided that the proposed ad hoc motion shall be limited to a matter directly related to the matters specified in the notice of such general meeting.
31. During the Relevant Period, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Members, and shall be made into electronic files, and published on the website designated by the Commission, the TPEx or the TWSE thirty (30) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.

PROCEEDINGS AT GENERAL MEETING

32. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. In case the general meeting proceeds via video conference, the shareholders taking part in such a meeting shall be deemed to have attended the meeting in person. Save as otherwise provided by these Articles, the Members representing more than one-half of all total outstanding Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.
33. (1) The Member(s) holding one percent (1%) or more of the total outstanding Shares of the Company may submit a proposal in writing or by way of electronic transmission for resolution at an annual general meeting; provided that only one matter shall be allowed in each proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.
- (2) Prior to the relevant record date, the Company shall give a public notice announcing the place and the period for the Members to submit proposals; and the period for accepting such proposals shall not be less than ten (10) days.
- (3) The number of words of a proposal to be submitted by a Member shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) Unless any of the following circumstances is satisfied, the Board shall include the proposal submitted by a Member from the agenda:
- (a) Where the subject (the issue) of the said proposal cannot be settled or resolved by a general meeting;
 - (b) Where the number of shares of the Company held by the proposing Member is less than one percent (1%) of the total outstanding Shares on the relevant record date; or
 - (c) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting Members' proposals.
 - (d) Where the said proposal containing more than 300 words or more than one matters in a single proposal.
- (5) The proposal proposed pursuant to the preceding paragraph (1) for urging the Company to promote public interests or fulfil the Company's social responsibilities may still be included in the agenda by the Board.
- (6) The Company shall, prior to sending the notice of the general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of general meeting the accepted proposals. With regard to the proposals submitted by Members but not

- included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board at such general meeting.
34. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.
 35. If at any general meeting the Chairman is not present at the general meeting or is unwilling to act as chairman, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of such general meeting.
 36. The Chairman of the general meeting may by Ordinary Resolution adjourn a general meeting from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.
 37. At any general meeting, a proposal for resolution shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
 38. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter which has been presented for resolution by the Members at any general meeting shall be passed by an Ordinary Resolution.
 - 38-1. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.
 39. The Company may by a Special Resolution:
 - (a) enter into, amend, or terminate any contract for lease, management by others, or regular joint operation with others of its business in whole;
 - (b) transfer the whole or any material part of its business or assets;
 - (c) acquire another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
 - (e) effect any winding-up of the Company, merger/consolidation or Spin-off;
 - (f) carry out a Private placement;
 - (g) grant a waiver to the Directors' non-competition obligation;
 - (h) change its name;
 - (i) alter or amend the Memorandum of Association or these Articles;
 - (j) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
 - (k) appoint an inspector to examine the affairs of the Company under the Law; and
 - (l) Share Exchange.
 40. (1) In the event any of the resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article is adopted by general meeting, any Member who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the general meeting resolves on the dissolution of the Company after the completion of transfer of business or assets under the paragraph (b) of the preceding Article. The abovementioned appraisal right shall be exercised in writing, stating therein the kinds and number of shares, within twenty (20) days after the adoption of resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article.
 - (2) In the event any part of the Company's business is involved in any consolidation or merger with another company (including Consolidation and Merger), acquisition or Share Exchange, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally with a record before or during the meeting, in accordance with the Law and these Articles, may request the Company to buy back all of his Shares at the then prevailing fair price in accordance with the Law. The Member filing a foresaid request shall make it in writing within a twenty (20) days period commencing from the resolution date, specify the price for

buying back. In case an agreement on the price of buy-back Shares is reached between the Member and the Company, the Company shall pay for the shares within ninety (90) days from the date on which the resolution was adopted. In case no agreement is reached, the Company shall pay the fair price it has recognized to the Members that have not reached agreement with the Company within ninety (90) days from the date on which the resolution was adopted. If the Company did not pay, the Company shall be considered to be agreeable to the price requested by the Member. Where a Member who votes against or abstains from voting at shareholders' meeting requests the Company to buy all its Shares in accordance with the provisions of this paragraph, in case no agreement is reached within sixty (60) days since the resolution was made, the Company shall apply to the court and may choose Taiwan Taipei District Court as the court of first instance for a ruling on the fair price against all these dissenting Members as the opposing party within thirty(30) days after that duration.

- (3) In case an agreement on the price of shares is reached between the shareholder and the company, the company shall pay for the shares within ninety days from the date on which the resolution was adopted. Without prejudice to the Law, in the event the Company fails to reach such agreement with the Member within a sixty (60) day period commencing from the resolution date, the Member may, within thirty (30) days after such sixty day (60) period, file a petition to Taiwan Taipei District Court for a ruling on the appraisal price.
 - (4) The number of shares abstaining from voting rights is not included in the number of voting rights of shareholders present.
41. A plan of Merger or Consolidation involving the Company shall be authorised by each constituent company by-
- (a) a Members' resolution by majority in number representing seventy-five per cent in value of the Members voting together as one class; and
 - (b) if the shares to be issued to each Member in the consolidated or surviving company are to have the same rights and economic value as the shares held in the constituent company, a Special Resolution of the Members voting together as one class, and in either case a Member shall have the right to vote regardless of whether the Shares that he holds otherwise give him voting rights.
- 41-1. If the trading of shares listed on TWSE is terminated as a result of a Merger/Consolidation in which the company will dissolve, general transfer, share swap or Spin-off and the shares of the surviving company in the Merger/Consolidation, the transferee company in the general assumption or the existing company or newly-incorporated company in the share swap or Spin-off will not be listed on TPEx or TWSE, the resolution of the general meeting shall be adopted by two-thirds or more of the votes of the shareholders who represent the total number of issued shares of the Company.
42. In case the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court or the competent court in Cayman Islands, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

VOTES OF MEMBERS

43. Subject to any rights and restrictions for the time being attached to any Share, every Member who is present in person (or in the case of a Member being a corporation, by its duly authorised representative) and every Person representing a Member by proxy shall have one vote for each Share.
44. (1) In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers.
- (2) If a Member holds Shares for others, such Member may advocate to exercise the voting rights separately.
- (3) The eligibility criteria, scope of application, manner of exercise, operating procedures, and other matters relating to the separate exercise of voting rights pursuant to the preceding paragraph shall comply with the Applicable Listing Rules during the Relevant Period.
45. (1) No vote may be exercised with respect to any of the following Shares:

- (a) the Shares held by any Subordinate Companies, of which a majority of the total outstanding voting shares or the total amount of capital stock are held by the Company; or
 - (b) the Shares held by other companies, of which a majority of the total outstanding voting shares or the total amount of the capital stock are held by the Company and its holding/Subordinate Companies; or
 - (c) the share(s) of a company that are held by the issuing company itself in accordance with the laws.
- (2) Subject to the Law and these Articles, the Shares held by any Member having no voting rights shall not be counted in the total number of the outstanding Shares while adopting a resolution at a general meeting.
- (3) A Member cannot exercise his own vote or by proxy on behalf of another Member in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. Such Shares shall not be counted in determining the number of votes of the Members present at the said meeting.
46. To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission. The way of electronic transmission shall be one of the voting methods at the general meeting.
47. If a written instrument or electronic transmission for voting is proposed to be used, the relevant methods and procedures will be specified in the notice of that meeting and complied with by such Members. A Member who exercises his votes in writing or by way of electronic transmission shall be counted towards the quorum, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting.
- 47-1. A Shareholder shall deliver his declaration about the votes in writing or by way of electronic transmission to the Company no later than 2 days prior to the scheduled meeting date of the general meeting; whereas if two or more declarations are delivered to the Company, the first declaration shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.
48. Subject to Article 54, in case a Member who has casted his votes in writing or by way of electronic transmission intends to attend the general meeting in person, he shall, at least 2 days prior to the meeting, revoke his previous votes by serving a separate notice in the same manner as such Member casted his votes. In the absence of a timely revocation of the previous declaration of intention, the votes exercised in writing or by way of electronic transmission shall prevail.
49. For the avoidance of doubt, a Shareholder who exercises his voting power as set forth in Articles 46, 47, 48 and 54 in accordance with the R.O.C. Laws and these Articles shall be deemed to have attended and voted in person at the general meeting for the purposes of these Articles and the Law.
50. The proceedings regarding the general meeting and the voting in the general meeting not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of Members from time to time, which shall be in compliance with the Law, the Applicable Listing Rules and the Rules Governing the Conduct of Shareholders Meetings by Public Companies.

PROXY

51. A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
52. A Member may only execute one proxy form and appoint one proxy for each general meeting and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two or more written proxies from one Member, the first one received by the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the meeting date.
53. Where a Member has served a proxy and intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, a proxy revocation notice shall be made to the Company at least two (2) days prior to the scheduled date of the general meeting; otherwise, the voting power exercised by the appointed proxy at the meeting shall prevail.

54. In case a Member has exercised his voting power in writing or by way of electronic transmission in accordance with Article 48, and has also authorized a proxy to attend the general meeting on his behalf, then the voting power exercised by the authorized proxy for the said Member shall prevail.
55. The instrument appointing a proxy shall be expressed to be for a particular meeting only. Instruments of proxy shall be in the form approved by the Company and will 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, the proxy, and proxy solicitor (if any). To the extent permitted by the Law, the form of proxy instrument shall be provided together with the notice for the relevant general meeting, either through post or by electronic transmission, as the case maybe, to all Members on the same day.
56. Except for trust enterprises duly licensed under the Applicable Listing Rules or Shareholders' Service Agencies approved by the R.O.C. competent authorities, where a Person acts as the proxy for two or more Members, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.
- 56-1. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TWSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the TPEX or the TWSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).
57. The use of proxies and solicitation shall be subject to the Law, the relevant R.O.C. Laws, the relevant Applicable Listing Rules and in particular the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

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

DIRECTORS AND BOARD

59. (1) Unless otherwise determined by the general meeting, the number of Directors shall be a minimum of five (5) and a maximum of ten (10).
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the duties of a director. Any natural person designated as an authorized representative by the corporate Director may be replaced by another natural person to be authorized by the corporate Director from time to time so as to fulfil the remaining term of the office of the predecessor.
- (3) Where a Juristic Person acts as a Member, its authorized representative(s) may be nominated as a Director(s) provided such nomination is in accordance with these Articles.
- (4) Directors shall be elected by the Members in general meeting. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
- (5) The proceedings and the voting regarding the election of Directors not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of the Members from time to time, which shall be in compliance with the Law and the relevant Applicable Listing Rules.

- (6) The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors shall be subject to and governed by the Applicable Listing Rules.
60. The Company shall adopt a candidate nomination mechanism for election of Directors which is in compliance with the Law and the Applicable Listing Rules. Subject to the Law and the Applicable Listing Rules, the Board shall establish detailed rules and procedures for such candidate nomination.
61. The term for which a Director will hold office shall be three years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.
62. A Director may be discharged at any time by a Special Resolution adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
63. The Board shall have a chairman (the “**Chairman**”) elected and appointed in term by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as Chairman at every meeting of the Board and general meeting convened by the Board. To the extent the Chairman is not able to be present at a meeting of the Board, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of the meeting of the Board.
64. A Director shall not be required to hold any Shares in the Company.
65. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of such year, in accordance with (i) the extent of a Director's involvement with the business operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.
- 65-1. (1) During the Relevant Period, the Board shall comply with the Applicable Listing Rules to establish a remuneration committee, which shall be composed of no less than three (3) members, more than half of the members shall be Independent Directors (the “Remuneration Committee”).
- (2) The professional qualifications of the Remuneration Committee members, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.
- (3) Upon the establishment of the Remuneration Committee, the Board shall adopt a charter for such Remuneration Committee, which shall comply with the Applicable Listing Rules.
66. When the number of Directors falls below five (5) due to a Director ceasing to act for any reason, the Company shall hold an election for Directors at the next general meeting. When the number of Directors falls short by one-third of the total number of Directors of the same term elected pursuant to these Articles, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact to hold an election for Directors.

INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE

67. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or not less than one-fifth of the total number of Directors, whichever is higher, one (1) of whom shall be domiciled in the R.O.C. (such domicile being registered with the government authorities). When an Independent Director ceases to act, resulting in a number of Independent Directors lower than the minimum number required by these Articles, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.
68. Independent Directors shall possess professional knowledge and there shall be restrictions on their shareholding and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, formation, appointment, discharge, exercise of authority, restrictions on shareholdings and concurrent positions held will be taken into account in assessing the independence of the Independent Directors, in compliance with the Applicable Listing Rules.
- 68-1. The election of Independent Directors shall be held pursuant to the Nomination System for the Candidates of Independent Directors and the Independent Directors shall be elected out of the

nominated candidates. For so long as the Shares are registered in Emerging Market or listed on the Taipei Exchange or TSE, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment of Independent Directors in accordance with the Applicable Listing Rules. The rules and procedures for such candidate nomination shall be in accordance with policies approved by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Law, these Articles and the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

69. (1) The Company shall establish an Audit Committee.
- (2) Where the Company has established an Audit Committee pursuant to these Articles, the Audit Committee shall comprise of all the Independent Directors. It shall not be fewer than three (3) Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.
- (3) A resolution of the Audit Committee shall be approved by a majority of all Audit Committee members.
- (4) The qualification, formation, appointment, discharge, exercise of authority and other compliance of the Audit Committee shall be subject to and governed by the Applicable Listing Rules.
70. (1) Where the Company has established an Audit Committee pursuant to these Articles, the following matters shall be subject to the approval of the Audit Committee and be submitted to the Board for a resolution:
- (a) the adoption or amendment of an internal control system;
 - (b) the assessment of the effectiveness of the internal control system;
 - (c) the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as the acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
 - (d) a matter bearing on the personal interest of a Director;
 - (e) a transaction relating to material asset or derivatives trading;
 - (f) the granting or provision of a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or Private placement of any equity-type securities;
 - (h) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
 - (i) the appointment or discharge of a financial, accounting, or internal auditing officer; and annual and semi-annual financial reports.
- (2) With the exception of subparagraph (j), any other matters under the preceding paragraph (1) of this Article that has not been approved by the Audit Committee may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of the Board.
- 70-1. (1) Before any resolution of merger/consolidation and acquisition by the Board was made, the Company shall convene a meeting of Audit Committee to review the fairness and reasonableness of the plan and transaction of the merger/consolidation or acquisition, and shall report the reviewed results to the Board and the general meeting. However, if it is not required under the Law to convene a general meeting for the resolution of merger/consolidation and acquisition, the reviewed results are not required to be reported to the general meeting.
- (2) When a meeting of Audit Committee reviews matters, it shall seek opinions from the independent expert on the justification of the Share Exchange ratio or distribution of cash or other assets to the Members.
- (3) The reviewed results of the Audit Committee and opinions from the independent expert shall be delivered to the Members together with the notice of the general meeting. However, if a general meetings' resolution of the merger/consolidation and acquisition is not required under the Law, reports for matters of the merger/consolidation and acquisition shall be announced at the next closest general meeting.
- (4) If the Company announces the same content as in those documents of notice delivered to the Members according to the provisions of the preceding paragraph on a website designated by the R.O.C. competent authorities of securities and those documents are prepared at the venue of the general meeting by the Company for Members' reference, those documents shall be deemed as having been sent to the Members.

POWERS AND DUTIES OF THE BOARD

71. Subject to the Law, these Articles, the Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all expenses in connection with business management, including but not limited to expenses incurred in setting up and registering the Company and may exercise all powers of the Company.
72. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to general manager and other managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board and shall have the power to perform such duties as may be delegated to them by the Board in accordance with the applicable internal rules of the Company, as adopted and amended by the Board.
73. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. He shall perform such other duties as are prescribed by the Law or as may be prescribed by the Board.
74. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company; the Board may delegate any of their powers to committees consisting of such member or members of their body as the Board thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- 74-1. (1) The Directors shall exercise the duty of loyalty, with the due care of a good administrator, in conducting the business of the Company. If any violation of this Article causes the Company to suffer damages, such Director shall be liable for any such damages incurred. If the conduct in violation of this Article is for the benefit of the Director(s) or other(s), the earnings derived from such conduct may be deemed the earnings of the Company by an Ordinary Resolution adopted at the general meeting.
 - (2) If, in the course of conducting the business of the Company, the Director violates any applicable laws and regulations, which causes damages to another person, such Director and the Company shall be jointly and severally liable for any damages incurred by such person.
 - (3) The managers of the Company shall have the same liability for damages as the Directors when acting within the scope of his or her duties.
- 74-2. A Director (exclusive of any Independent Directors) who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by Special Resolution. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one (1) year from such behaviour.
- 74-3. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.
- 74-4. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

DISQUALIFICATION AND CHANGES OF DIRECTORS

75. The office of Director shall be vacated, if such Director:

- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (c) has been adjudicated guilty by a final judgment for committing an offence under the Anti-Corruption Act of the R.O.C. during the time of his/her public service, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (d) becomes bankrupt under the laws of any country or has been adjudicated of the commencement of the liquidation procedure by the court and has not been reinstated to his rights and privileges; or makes any arrangement or composition with his creditors generally;
 - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
 - (f) loses all or part of legal capacity as defined under the Applicable Listing Rules;
 - (g) has been adjudicated the commencement of assistantship and such assistantship has not been revoked yet;
 - (h) dies or is found to be or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Directors resolved that his office is vacated;
 - (i) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of any law or enactment;
 - (j) resigns his office by notice in writing to the Company;
 - (k) is removed from office pursuant to these Articles; or
 - (l) has been ordered to be discharged by the R.O.C. Courts on the grounds that such Director has, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts for remedies including the discharge of such Director, in accordance with the requirements of the Applicable Listing Rules or these Articles.
- 75-1. (1) A Director will be automatically discharged if, during his/her/its tenure, such Director transfers more than one half of the Shares held by him/her/it at the time of election; a Director will also be automatically discharged if the aggregated number of Shares transferred by such Director prior to and after the amendment of these Articles is more than one half of the Shares held by him/her/it at the time of election; unless otherwise, he/she/it is the Independent Director.
- (2) If, after he/she/it is elected, a Director transfers more than one half of the Shares held by him/her at the time of election before he/she/it assumes office, or transfers more than one half of the total number of Shares held by him/her/it during the period prior to the general meeting where share transfer registration is suspended, the election of such Director shall become invalid; unless otherwise, he/she/it is the Independent Director.
- 75-2. If a Director creates a pledge on Shares exceeding one half of the Shares held by such Director at the time of election, the votes of the Shares in excess of such amount shall not be exercised or included in the votes at the general meeting.
76. Except as approved by the TPEX or the TWSE or the Commission, the following relationships shall not exist among more than half of the Company's Directors: (1) a spousal relationship; or (2) a familial relationship within the second degree of kinship as defined under the Applicable Listing Rules. If any of the foregoing relationships exist among the elected Directors, the election with respect to the one who received the lowest number of votes among those Directors shall be deemed invalid and void; if he has held the office of a Director, he shall cease to act as a Director.
- 76-1. (1) In the event of a complete re-election of the Board prior to the expiration of the Directors' terms of office pursuant to the Applicable Listing Rules, such Directors, absent a resolution that the existing Directors will not be discharged until the expiry of their present terms of office, will be deemed to be discharged in advance.
- (2) The general meeting for the re-election of the Board referred to in the preceding paragraph shall be attended by more than one-half of the total issued and outstanding Shares of the Company.

77. In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the general meeting, the Member(s) holding three percent (3%) or more of the total number of outstanding Shares of the Company may, within thirty (30) days after that general meeting, institute a lawsuit in the court for a judgment in respect of such matter and may choose Taiwan Taipei District Court as the court of first instance.
- 77-1. (1) Member(s) who holds one percent (1%) or more of the total issued and outstanding Shares of the Company for more than six months may submit a written request to the Independent Director on the Audit Committee to institute a lawsuit on behalf of the Company against the Director(s) and may choose Taiwan Taipei District Court as the court of first instance.
- (2) If the Independent Director on the Audit Committee fails to institute a lawsuit within thirty (30) days of receiving the request pursuant to the preceding paragraph, such Member(s) may institute a lawsuit on behalf of the Company and may choose Taiwan Taipei District Court as the court of first instance.

PROCEEDINGS OF BOARD

78. During the Relevant Period, for the dispatch of business, the Directors shall convene and hold Board meetings (either within or without the Cayman Islands) at least once each quarter. In convening a meeting of the Board, a notice setting forth therein the subject(s) to be discussed 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 determined by the Board, the Board meetings may be convened at any time where this has been agreed to by a majority of Directors.
79. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication equipment by way of which all Persons participating in such meeting can see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.
80. A Director may appoint another Director as his proxy to attend a meeting of the Board, provided that the appointer shall deliver, with regard to each meeting, a power of attorney and state therein the scope of authority with reference to the subjects to be discussed at such meeting. However, no Director may act as proxy for two or more other Director.
81. Unless otherwise provided in these Articles, the quorum necessary for any Board meeting shall be more than one-half of the Directors. A Director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
82. Unless otherwise provided in these Articles, the Law or the Applicable Listing Rules, matters arising at any meeting shall be decided by a majority of the Directors present at a Board meeting.
83. During the Relevant Period, no matters may be decided by the Board by ways of written resolution.
84. (1) A Director who in any way has a personal interest in the matter under discussion at a meeting of the Directors shall declare the essential contents of his personal interest to the Board meeting. In the merger/consolidation and acquisition involving the Company, a Director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board and the general meeting the essential contents of such personal interest and the cause of his approval or dissent to the resolution of merger /consolidation or acquisition. Under the circumstances of the preceding paragraph, the company shall itemize the essential contents of a director's personal interest and the cause of approval or dissent to the resolution of merger/consolidation or acquisition in the notice to convene a meeting of shareholders; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and the address of such website shall be indicated in the above notice.
- (2) Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director has interests in the matters under discussion at a meeting of the Directors of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.
- (3) A Director cannot exercise his own vote or by proxy on behalf of another Director in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. 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 but shall still be counted in the quorum for such meeting.
85. Subject to these Articles, a Director other than an Independent Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
86. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
87. The Board shall cause all minutes to be duly entered in the books provided for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Board and of any committee of the Board; and
 - (c) all resolutions and proceedings of all general meetings and of the Board and of committees of Directors.
88. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
89. The meetings and proceedings of any committee shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board.
- 89-1. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.
- 89-2. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
- 89-3. The Board shall be entitled to release or disclose to any regulatory or judicial authority of the R.O.C. or Cayman Islands any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.
90. The proceedings regarding Board meetings not covered by these Articles shall be governed by the internal rules of the Company, as consented by the Board and reported to a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules, particularly the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Board may be authorized to amend the proceedings regarding Board meetings.

RESERVE

91. Subject to the Law, the Company may, after paying all taxes and duties, by Ordinary Resolution, set aside certain amount of its surplus profits as a special reserve (the "Special Reserve") for such purposes as may be approved by the shareholders by way of Ordinary Resolution.
92. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, the Capital Reserve shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Special Reserve is insufficient to offset such losses.

DIVIDENDS AND BONUSES

93. Subject to the Law and these Articles, the Company may declare dividends or bonuses in any currency to be paid to the Members when there is any surplus profit at the end of each quarter or the financial year.
- 93-1 Subject to the Law, any rights and restrictions for the time being attached to any Shares and these Articles, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
- 93-2 Subject to Article 93-1, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
- 93-3 Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
- 93-4 Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
94. Subject to the preceding Article, the Law and the Applicable Listing Rules, the Company if has profits, shall distribute employee bonus and Director bonus according to the following percentages, and the proposal of the distribution of employee bonus and Director bonus shall be reported to the general meeting. In the event that the Company still has accumulated deficit, the profits, to the extent of such deficit, shall be set aside to make up the deficit
- (a) no less than zero point five percent (0.5%) for bonuses to employees. When the employee bonuses will be paid in the form of new shares issued by the Company, the employees entitled to such share bonuses may include employees of Subordinate Companies satisfying certain criteria. The criteria shall be promulgated and amended by the Board from time to time;
 - (b) up to two percent (2%) for bonuses of Directors; and
- 94-1. (1) Subject to the Law and the Applicable Listing Rules, the Company may distribute its surplus profits and offset losses at the end of each quarter. The business report, the financial statements and the proposal relating to profit distribution and/or loss offsetting of the preceding three quarters shall be submitted to the Board for a resolution after being audited by Independent Directors who are members of the Audit Committee.
- (2) When distributing surplus profits pursuant to the preceding paragraph, the Company shall estimate and reserve the tax payable and offset its losses in accordance with the laws.
 - (3) Where surplus profits are distributed pursuant to the preceding paragraph (1) of this Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash. The whole or a part of the distributable dividends or bonuses, may, upon the approval of the Board, be paid in cash.
 - (4) When the Company distributes its surplus profits or offsets its losses pursuant to the preceding three paragraphs of this Article, such profit distribution or loss offsetting shall be based on financial statements audited or reviewed by a certified public accountant.
- 94-2. In the event that there is earnings surplus per the annual accounting result, such surplus shall first be used to pay tax, offset losses of previous years, and then be set aside as Special Reserve (if required), and the remainder shall be allocated first as the dividends of the Preferred Shares ("Preferred Dividends") payable in such financial year. The remaining surplus combining accumulated undistributed earnings in the previous years as the distributable earnings surplus shall be distributed to Members as cash dividend and/or stock dividend, pursuant to the distribution proposal made by the Board and to be approved by the general meeting.
- When the company allocate Special Reserve according to R. O. C. Laws, in the event that the amount of the cumulative amount of net increase in investment properties in fair value in a

preceding period(s) and the cumulative net amount of other deductions from equity in a preceding period(s) is insufficient to be allocated, the company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period before distributions of surplus profits. If there remains any insufficiency, the amount of insufficiency shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

The dividend policy of the Company is in consideration of the stable development, sustainable development, funding needs, sound financial structure and protection of shareholder interests of the Company and therefore the ratio of dividends to Members shall not be less than 10% of the distributable earnings surplus, and the distribution can be made in cash or in stock where the amount of cash dividends distributed thereupon shall not be less than 50% of the total amount of dividends. In the event that the Company has no accumulated loss, the Company may consider the finance, business and operation aspects of the Company and distribute all or part of the Legal Reserve and Capital Reserve pursuant to the Law and regulations prescribed by the competent authorities.

95. (1) Where dividends or bonuses are declared in accordance with the preceding Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash.
- (2) Where dividends or bonuses are declared in accordance with the preceding Article, the Company may, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, have the whole or a part of the surplus profit distributable as dividends or bonuses paid in cash; and in addition thereto a report of such distribution shall be submitted to the general meeting.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

96. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Board.
97. The books of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall always be open to the inspection of each Director.
98. After the end of each financial year, the Board shall prepare and submit: (1) the business report; (2) the financial statements and accompanying documents, as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) any proposal relating to profit distribution and/or loss offsetting in accordance with these Articles for adoption by the annual general meeting. Upon adoption at the annual general meeting, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. The Company may notify Members by way of a public announcement of the statements and resolutions mentioned in the previous paragraph.
99. The documents prepared by the Board in accordance with the preceding Article shall be made available at its Shareholders' Service Agent's office in the R.O.C. before ten (10) days of the annual general meeting, and any Members is entitled to inspect such documents during normal business hours of such service agent.
100. The Board shall keep copies of this Memorandum of Association, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholders' Service Agent's office in the R.O.C.. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspect, transcribe and to make copies of the above documents and the Company shall make its Shareholders' Service Agent to provide with the access.
101. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Board, or required by the Law or the Applicable Listing Rules.
- 101-1. Subject as otherwise provided in these Articles, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right

of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

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

CAPITALISATION OF RESERVE

103. Subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, capitalize the Legal Reserves and the Capital Reserve specified below, in whole or in part, by issuing new, fully paid shares to the Members in proportion to the number of shares held by each of them:

(a) Share Premium Account.

(b) income from endowments received by the Company.

Where the Legal Reserve is distributed by issuing new shares, only the portion of Legal Reserve which exceeds 25 percent of the paid-in capital may be distributed.

104. Subject to the requirements of the Law, the Board may make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a Capitalised Reserve, including without limitation, Shares distributable in fractions.

- 104-1. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of Special Resolution :

(a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;

(c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and

(d) generally do all acts and things required to give effect to any of the actions contemplated by these Articles.

TENDER OFFER

105. During the Relevant Period, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents referred to in the Applicable Listing Rules by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing 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, numbers and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the outstanding Shares in its own name or in the name of other Persons;

(b) the recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;

(c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and

(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 percent (10%) of the outstanding Shares held in its own name or in the name of other Persons.

WINDING UP

106. Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up

the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

107. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.
108. The Company shall keep all statements, records of account and documents for a period of ten (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

NOTICES

109. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission or the TPEx or the TWSE or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.
110. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
111. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.
112. Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.
113. Notice of every general meeting of the Company shall be given to all Members holding Shares with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them. No other Person shall be entitled to receive notices of general meetings.

OFFICES OF THE COMPANY

114. The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine. The Company, in addition to its Registered Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Board may from time to time determine.

CORPORATE GOVERNANCE

115. (1) During the Relevant Period, the proceedings regarding acquisition and disposal of assets of the Company (including financial derivatives trading), loan of funds and making of endorsement/guarantees shall be governed by the internal rules of the Company, which shall be in compliance with the Law and the Applicable Listing Rules. The enactment and amendment of such internal rules shall be approved by an Ordinary Resolution of Members.
- (2) During the Relevant Period, the proceedings regarding related party transactions shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.
116. During the Relevant Period, the internal control system will be established by the Board which shall be in compliance with the Law and the relevant Applicable Listing Rules.

FINANCIAL YEAR

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

SEAL

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

CORPORATE SOCIAL RESPONSIBILITY

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

Appendix 2. Rules of Procedure for Shareholders' Meetings

Article 1 To establish a strong governance system and sound supervisory capabilities for the company'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/TPEX Listed Companies.

Article 2 The rules of procedures for the company's shareholders' meetings, except as otherwise provided by law, regulation, or the Memorandum and Articles of Association, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

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. 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.

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:

For physical shareholders meetings, to be distributed on-site at the meeting.

For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or

demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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 (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

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.

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.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

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 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

How shareholders attend the virtual meeting and exercise their rights.

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:

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.

Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

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.

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

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 (The chairperson and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the chairperson; if there is no Vice Chairman or the Vice Chairperson is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as the chairperson of the meeting, or, if there are no managing directors, one of the directors shall be appointed to act as the meeting chairperson. Where the Chairman does not make such a designation, the managing directors or the directors shall select one person from among themselves to serve as the meeting chairperson.

It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the Directors.

If a shareholders' meeting is convened by a party with the 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 select a chairperson from among themselves.

The company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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.

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.

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 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.

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.

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.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the chairperson 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 chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of the proposals and of the amendments or extempore motions put forward by the shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the end of the discussion and call for the vote.

Article 11 (Shareholder speech)

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

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

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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.

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 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

For the resolutions of the shareholders' meeting, the number of shares of the non-voting shareholders is not included in the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The shares of the unexecuted voting rights shall not be calculated in the voting number of the attending shareholders.

Except for the trust business or the stock agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the proxy voting rights shall not exceed three percent of the total voting rights of the issued shares.

If it does, the exceeding voting rights are not calculated.

Article 13 A shareholder shall be entitled to one vote for each share held, except when

the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extraordinary motions or amendments to the original motion.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.

Once the shareholder has exercised his/her voting right by correspondence or electronic mean, if he/she intends to attend the meeting in person, he/she shall withdraw the intention statement in the same way the voting right is to be exercised at least two (2) days prior to the shareholders' meeting. If the withdrawal did not arrive in time, the voting rights exercised by correspondence or electronic mean shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the total number of voting rights of the present shareholders shall be announced by the chairperson or the personnel who he designates case by case.

The proposal is deemed to be passed if all present shareholders have no objections upon the consultation of the chairperson, and its validity is the same as that of voting. If there is any objection, it shall be resolved by voting as specified in the preceding paragraph.

When there is an amendment or an alternative to a proposal, the chairperson 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. If one of the proposals has been passed, the other proposals shall be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting.

Article 13 A shareholder shall be entitled to one vote for each share held, except when shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this

Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person 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.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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.

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.

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.

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 (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

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.

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 (Public disclosure)

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

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.

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 Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chairperson may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

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 the company, the chairperson may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the chairperson's instruction, and obstructs the proceedings and refuses to stop, the chairperson may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the agenda set by the shareholders' meeting cannot be finished before the end of the proceedings (including the extempore motions), the shareholders' meeting may pass a resolution to adopt a new venue.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Act, decide to postpone or resume the assembly within five days.

Article 19 (Disclosure of information at virtual meetings)

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 (Location of the chair and secretary of virtual-only shareholders meeting)

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 (Handling of disconnection)

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.

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.

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.

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.

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.

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.

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.

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.

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 (Handling of digital divide)

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.

Appendix 3. Rules of Procedure for Board of Directors Meetings

Article 1 (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of this Corporation, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3 (Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of this Corporation shall be management department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the

opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 (Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 (Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8 (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time on the same day, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

Article 10 (Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

Matters to be reported:

Minutes of the last meeting and action taken.

Important financial and business matters.

Internal audit activities.

Other important matters to be reported.

Matters for discussion:

Items for continued discussion from the last meeting.

Items for discussion at this meeting.

Extraordinary motions.

Article 11 (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply *mutatis mutandis*.

If the chairman of the board of directors is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, the selection and appointment of its agent shall apply to the provisions of Paragraph 3 of Article 7.

Article 12 (Matters requiring discussion at a board meeting)

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. The annual financial report signed or sealed by the chairman, manager, and accounting supervisor, and the second quarter financial report audited and certified by an accountant.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The chairman shall be elected or dismissed if the board of directors does not have a managing director.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or

at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13 (Voting-I)

When the chair at a board meeting 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 a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.

4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15 (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 16 (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.

2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.

A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17 (Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or this Corporation's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

- a. Represent the Company externally within the scope of the Company's business
- b. Authorization matters in accordance with the company's management regulations, systems and regulations
- c. Review the procedures for dealing with major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, and endorsing or providing guarantees for others.
- d. Other powers authorized by the board of directors

Article 18 (Supplementary provisions)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

Appendix 4. Procedures for Election for Directors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting.

When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive

the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 5. Shareholding of All Directors

Lemtech Holdings Co., Limited

Shareholding of All Directors

I. As of April 20, 2024, the date for suspension of share transfer for this annual shareholders' meeting, the company's paid-in capital is NT\$621,927,750, and the total number of outstanding shares is 62,192,775.

II. Details of shareholding of all directors on April 20, 2024, the date for suspension of share transfer:

Title	Name	Date elected	Current number of shares held	
			Shares	Percentage of shareholding
Chairman	Hsu, Chi-Feng	2021.07.05	8,293,981	13.34%
Director	Ye, Hang	2021.07.05	5,647,238	9.08%
Director	Chan Kim Seng Maurice	2021.07.05	5,130,618	8.25%
Director	Tan, Yong	2021.07.05	2,094,016	3.37%
Independent director	Yang, Rui-Long	2021.07.05	0	0.00%
Independent director	Yu, Chi-Min	2021.07.05	0	0.00%
Independent director	Lee, Wei-Ming	2021.07.05	0	0.00%
Independent director	Wang, Chi-Chuan	2021.07.05	0	0.00%
Independent director	Frank Cheng	2021.07.05	0	0.00%
Total shareholding of directors			21,165,853	34.04%

Note 1: Article 26 of the Securities and Exchange Act is not applicable to us.

Note 2: We have set up the Audit Committee; therefore, shareholding of supervisors is not applicable.