

STOCK CODE : 5223



Handbook for the 2021 Annual Meeting of Shareholders

MEETING TIME: MAY, 31, 2021

PLACE:3F., No. 469, Zhongyang Rd., Xinzhuang Dist., New Taipei City

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I、 Procedure for the 2021 Annual Meeting of Shareholders

Anli International Co., Ltd

Procedure for the 2021 Annual Meeting of Shareholders

- 1、 Call the Meeting to Order
- 2、 Chairperson Remarks
- 3、 Management Presentation
- 4、 Proposals
- 5、 Discussion
- 6、 Questions and Motions
- 7、 Adjournment

II、Agenda of Annual Meeting of Shareholders

Anli International Co., Ltd

Agenda of 2021 Annual Meeting of Shareholders

Time: 10:00 a.m. on Monday, May, 31, 2021

Place: 3F., No. 469, Zhongyang Rd., Xinzhuang Dist., New Taipei City

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentations
 - (1) 2020 Business Report.
 - (2) Audit Committee's Review Report on the 2020 Financial Statements.
 - (3) 2020 Employees' and Directors' Remuneration.
 - (4) Report on the 2020 communications with Internal Audit Manager by the Independent Directors.
 - (5) Amendment to the Procedures for Ethical Management and Guidelines for Conduct.
 - (6) Report on issue of Domestic 1st Unsecured Convertible Corporate Bonds.
4. Proposals
 - (1) Adoption of the 2020 Business Report and Financial Statements.
 - (2) Adoption of the Proposal for Distribution of 2020 Profits.
5. Discussion

(1) Amendment to the Operational Procedures for Loaning of Company Funds.

(2) Amendment to the Procedural Rules of General Meetings.

6. Questions and Motions

7. Adjournment

1. Management Presentation

Report No. 1: 2020 Business Report.

Explanation: The 2020 Business Report is attached as page 9-11.

Report No. 2: Audit Committee's Review Report on the 2020 Financial Statements.

Explanation: The 2020 Audit Committee's Review Report is attached as page 12-14.

Report No. 3: 2020 Employees' and Directors' Remuneration.

Explanation: According to the Articles of Incorporation adopted by the Board, it is decided to distribute the 2020 Employees' and Directors' Remuneration. The Employees' and Directors' Remuneration Distribution Table is attached as page 15.

Report No. 4: Report on the 2020 communications with Internal Audit Manager by the Independent Directors.

Explanation: Report on the 2020 communications with Internal Audit Manager by the Independent Directors. Please refer to page 16 for details.

Report No. 5: Amendment to the Procedures for Ethical Management and Guidelines for Conduct.

Explanation: In order to conform to the amendments to related commercial laws, the company hereby proposes to amend the Procedures for Ethical Management and Guidelines for Conduct. Please refer to page 17 for details.

Report No. 6: Report on issue of Domestic 1st Unsecured Convertible Corporate Bonds.

Explanation: Please refer to page 18-20 for details.

2. Proposals

Proposal No. 1: Adoption of the 2020 Business Report and Financial Statements. (Proposed by the Board)

Explanation: (1) The Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, CPA Chiu, Chao-Hsien and CPA Chen, Chin-Chang of PricewaterhouseCoopers, Taiwan Firm. Also Business Report and Financial Statements have been approved by the Board and examined by the supervisors of the Company.

(2) The 2020 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, page 9-11, page 12-14, page 21-32.

Resolution:

Proposal No. 2: Adoption of the Proposal for Distribution of 2020 Profits. (Proposed by the Board)

Explanation: (1) The Board has adopted a Proposal for Distribution of 2020 Profits in accordance with the Articles of Incorporation.

(2) According to the Distribution of 2020 Profits, each common share holder will be entitled to receive a cash dividend of NT\$3.5 per share, total among NT\$152,119,576. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or

a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with domestic or overseas convertible corporate bonds or other convertible securities or employee stock options, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

- (3) It was proposed that the cash dividends payable are rounded down to the nearest New Taiwanese Dollar. Any amounts which are less than one NTD shall be adjusted to the shareholder that from large decimal point to small one and from the first number to the last one, until the sum is equal to the total amount of cash dividends.
- (4) The 2020 PROFIT DISTRIBUTION TABLE are attached in the Meeting Agenda, page 33.

Resolution:

3. Discussion

Proposal No. 1: Amendment to the Operational Procedures for Loaning of Company Funds. (Proposed by the Board)

Explanation: In order to conform to the amendments to related commercial laws, the company hereby proposes to amend the Operational Procedures for Loaning of Company Funds. Please refer to page 34-36 for details.

Resolution:

Proposal No. 2: Amendment to the Rules of Procedure for Shareholder Meetings. Please proceed to discuss. (Proposed by the Board)

Explanation: In order to conform to the amendments to related commercial laws, the company hereby proposes to amend the Rules of Procedure for Shareholder Meetings. Please refer to page 37-39 for details.

Resolution:

4. Questions and Motions

5. Adjournment

III 、 Attachment

【Attachment 1】 2020 Business Report.

Dear Shareholders, Ladies and Gentlemen, I would like to present you the operation performance of 2020 and the prospect of the Company in the future specified below:

1. 2020 Business Report

(1) Business highlight:

Unit: NTD thousand

Item	2020	2019	Increase (decrease) in amount	Change (%)
Operating revenue	2,075,283	1,473,398	601,885	41
Operating costs	1,367,947	1,022,174	345,773	34
Gross profit	707,336	451,224	256,112	57
Operating expenses	298,801	268,640	30,161	11
Operating profit	408,535	182,584	225,951	124
Non-operating (expenses)	(42,388)	(997)	41,391	4,152
Net profit before taxation	366,147	181,587	184,560	102
Income tax expenses	82,663	27,278	55,385	203
Net income	283,484	154,309	129,175	84

(2) Budget execution: The Company did not present any financial forecast to the public, and this part is not applicable.

(3) Financial income and expenditure, and profitability analysis:

Item		2020	2019	Increase (decrease)
Financial structure	Debt to assets ratio (%)	44.50	37.65	6.85
	Long term capital as a percentage of fixed assets	289.22	253.77	35.45

	(%)			
Solvency	Current ratio (%)	284.96	212.55	72.41
	Liquid ratio (%)	256.57	192.17	64.40
Profitability	ROA (%)	10.31	6.59	3.72
	ROE (%)	17.38	10.29	7.09
	Basic earnings per share (NTD)	6.56	3.57	2.99

(4) Research and development:

The consolidated expenditures of the Company in research and development amounted to NT\$46,677 thousand in 2020 and NT\$39,740 thousand in 2019, which accounted for 2.25% and 2.70% of the consolidated revenue, respectively.

2. Outline of the Business Plan in 2021

(1) Business policy

1. Continue to strengthen cross-plant resource integration, communication, and management to facilitate decision-making implementation.
2. Continue to input automated production and instrument updates and adjust the production processes to enhance competitiveness.
3. Actively develop new products, new markets, and promptly engage in cooperation with academic and research institutions to grasp the Company's future mid-term and long-term high-tech sources.
4. Keep abreast of economic prosperity and changes in market demand, promptly and flexibly adjust inventory to prevent the risk of sluggish material and raw material price fluctuations.
5. Strengthen sound cooperative relations with customers, keep abreast of the latest market conditions, and actively seek new product orders.
6. Actively engage in information system integration management, optimize operational processes to improve production efficiency.

(2) Major production and sales policies

1. Active development of new products, new markets, and new purposes.
2. Acceleration of the expansion of the horizon for new products in line with the input of new equipment.
3. Continued improvement of the cost structure, adjustment of internal management process, upgrade of production efficiency so as to reduce the cost of production and upgrade competitiveness in the market.

3. Development strategy of the Company in the future

- (1) Set up the corporate logistics center in Taiwan for coordination and control of all operations and functional department of the group in other regions. Build up the system of real-time communication with key customers. Map out the business strategy from top-down and outward to form unified strategies.
 - (2) Develop global competitive power and horizon, strengthen the capacity for the pursuit of policy and enhance the competitive power of the Company, and spare no effort in the development and training of talents in Taiwan, Hong Kong, and Mainland China.
 - (3) Set a high standard for customer service, respond to the feedback of customers and works with customer satisfaction to satisfy market mechanisms and customer needs.
 - (4) Develop proper corporate culture to strengthen the capacity in pursuit. The leadership of the Company will declare the vision and mission of the Company, the corporate goal and commitment to motivate the employees with a sense of participation, cohesion, mission and achievement.
4. Impacts of the external competitive environment, regulatory environment, and the overall business environment

The Company has constantly faced external competition since its inception, as well as the impacts of foreign regulations and the overall business environment. The competition in the market, the new rules and regulations promulgated by the competent authority of securities and exchange, the demand for environmental protection in countries all around the world, and the unpredictable global operation environment hampered the business performance of the Company significantly.

In response to the changes in the external environment, the Company spares no effort in realizing the corporate governance system, improvement of production process, and expansion of production capacity so as to reduce the cost of production, and keep abreast of customer needs in their purchase orders promptly for proper procurement planning further to complying with the new rules and regulations promulgated by the competent authority of securities and exchange and conforming to the environmental protection requirements of products to upgrade the overall competitive power of the Company.

Chairman:HSU, CHENG-KUN

Manager: HSU, CHENG-KUN

Accounting Supervisor:WANG,
WAN-HSING

【Attachment 2】 Audit Committee’s Review Report on the 2020 Financial Statements.

Anli International Co., Ltd

Audit Committee’s Report

The Audit Committee has approved and the board has ratified the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal. Meanwhile, the financial statements (including consolidated statements) have been audited by CPA Chiu, Chao-Hsien and CPA Chen, Chin-Chang of PricewaterhouseCoopers, Taiwan, who has issued unqualified opinions. Hence, the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal approved by the Audit Committee and ratified by the board are in compliance with relevant laws and regulations. Please review.

Submitted to: 2021 Shareholders’ meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Jaung, Kwun-Ming

March 5, 2021

Anli International Co., Ltd

Audit Committee's Report

The Audit Committee has approved and the board has ratified the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal. Meanwhile, the financial statements (including consolidated statements) have been audited by CPA Chiu, Chao-Hsien and CPA Chen, Chin-Chang of PricewaterhouseCoopers, Taiwan, who has issued unqualified opinions. Hence, the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal approved by the Audit Committee and ratified by the board are in compliance with relevant laws and regulations. Please review.

Submitted to: 2021 Shareholders' meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Yeh, Wang-Ming

March 5, 2021

Anli International Co., Ltd

Audit Committee's Report

The Audit Committee has approved and the board has ratified the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal. Meanwhile, the financial statements (including consolidated statements) have been audited by CPA Chiu, Chao-Hsien and CPA Chen, Chin-Chang of PricewaterhouseCoopers, Taiwan, who has issued unqualified opinions. Hence, the 2020 financial statements (including consolidated statements), business reports and earnings distribution proposal approved by the Audit Committee and ratified by the board are in compliance with relevant laws and regulations. Please review.

Submitted to: 2021 Shareholders' meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Chen, Yin-Chang

March 5, 2021

【Attachment 3】 2020 Employees' and Directors' Remuneration.

Anli International Co., Ltd

2020 Employees' and Directors' Remuneration

	(NTD)
Item	Amount
2020 Net Profit before Tax(Before minus Employees' and Directors' Remuneration)	308,134,917
Minus: Employees' Remuneration --6%	(18,488,095)
Minus: Directors' Remuneration --2%	(6,162,698)
2020 Net Profit before Tax(After minus Employees' and Directors' Remuneration)	283,484,124
Minus: 2020 Tax	-
2020 Net Profit after Tax	283,484,124

【Attachment 4】 The 2020 communications with Internal Audit Manager by the Independent Directors.

THE COMMUNICATIONS WITH INTERNAL AUDIT MANAGER BY THE INDEPENDENT DIRECTORS.

The communications with Internal Audit Manager by the Audit Committee is shown as the following table:

Date/Meeting	The items of communications	The results of communications
2020/1/15 Audit Committee	<ol style="list-style-type: none"> 1. Audit Report in October-November 2019. 2. Discussion on the addition and revision of the internal control system. 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.
2020/3/23 Audit Committee	<ol style="list-style-type: none"> 1. The 2019Q4 Internal Audit Report. 2. Discussion on revision of the 2019 “internal control system”. 3. Discussion on revision of the internal control system 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.
2020/5/8 Audit Committee	<ol style="list-style-type: none"> 1. Follow up on the improvement of the Group’s internal control operating procedures and form standardization. 2. Audit Report in 2020 Q1. 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.
2020/7/24 Audit Committee	<ol style="list-style-type: none"> 1. Audit Report in April-May 2020. 2. Discussion on revision of the internal control system. 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.
2020/8/6 Audit Committee	<ol style="list-style-type: none"> 1. Audit Report in 2020 Q2. 2. Discussion on revision of the internal control system. 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.
2020/11/3 Audit Committee	<ol style="list-style-type: none"> 1. Follow up on the improvement of the Group’s internal control operating procedures and form standardization. 2. Audit Report in 2020 Q3. 3. Discussion on the 2021 Audit Plan 4. Discussion on the addition and revision of the internal control system 	After discussed and explains the issues raised by meeting attendees, all the attendees agreed unanimously.

【Attachment 5】 Comparison Table for Procedures for Ethical Management and Guidelines for Conduct Before and After Revision

Comparison Table for Procedures for Ethical Management and Guidelines for Conduct Before and After Revision

After Amendment	Before Amendment	The Reasons
<p>Article 5 Responsible unit and duties</p> <p><u>The Company shall designate the President Office as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel</u> to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc. And also submit regular reports (at least once a year) to the board of directors.</p>	<p>Article 5 Responsible unit and duties</p> <p>The Company shall designate the Board of Directors as the solely responsible unit and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc. And also submit regular reports (at least once a year) to the board of directors.</p>	<p>For operational requirements.</p>

【Attachment 6】 Implementation of the Issue of Domestic 1st Unsecured Convertible Corporate Bonds.

Implementation of the Issue of Domestic 1st Unsecured Convertible Corporate Bonds.

Bond type	The 1st Unsecured Convertible Bond in R.O.C.
Issue date	October 30, 2020
Face Value	NT\$ 100,000
Place of Issue and Trading (Note 3)	Not applicable
Issue price	NTD 100
Total amount	NT\$ 400,000,000
Interest rate	0.00%
Maturity	3 years, matured on October 30, 2023
Guarantee Institution	Non-secured
Trustee	Trust Department, Taipei Fubon Bank
Consignee	Fubon Securities Co., Ltd.
Certified Lawyer	Zhi-Ding Lawyer Yu-Liang Chen, International Law Office
Certified CPA	Chao-Hsian Chiu and Chin-Chang Chen, CPAs of PwC Taiwan
Repayment Methods	Redeemable by cash at maturity in lump sum at par.
Amount not repaid	NT\$ 400,000,000

Redemption or earlier redemption Limitation Article	Please refer to the Company's “Regulations Governing the First Issuance & Transfer of the Unsecured Convertible Corporate Bonds in the Republic of China” for more details.	
Restrictions (Note 4)	Not applicable	
Name of the credit rating agency, rating date, and rating results	Not applicable	
Permitted for conversion, exchange or corporate bonds with warrants	Convertible	
Conversion (swap) or subscription right	Common stock	
Present conversion (swap) or subscription price	NT\$ 75.8	
Duration for conversion (swap) or subscription.	January 31, 2021 to October 30, 2023	
Quantity of shares converted (swapped) or subscribed.	1,302,081 shares (Up till April 2, 2021)	
Amount anticipated for future conversion (swap) or subscription of shares on the basis of the present conversion (swap) or subscription price.	3,013 sheets	
Other equity attached	The amount of the bonds that have been converted into ordinary shares (either by exchange or purchase), GDRs or other securities	As of April 2, 2021, 1,302,081 shares of common stock have been converted amounting to NT\$98,700,000
	Rules for issuing and conversion (either by exchange or purchase)	For further information, visit the MOPS website – investment zone- credit section

<p>The effect of the rules for issuance and conversion, swap or subscription of shares, and condition of issuance on possible dilution of equity shares and</p> <p>Influence on shareholders' equity at present</p>	<p>If the whole lot of outstanding corporate bonds was converted, there would be an increase of 5,276,000 shares, or 12.20% of the outstanding shares. In general, holders of convertible bonds tend to convert the bonds into common shares incrementally such that the effect of dilution of shares will not be instantaneous. Further, the earnings per share for the issuance of convertible bonds will be higher than the offering of new shares for raising capital. Therefore, possible dilution to the equity shares of the Company and the shareholders equity of the Company will be marginal.</p>
<p>Custody Agency Name for the Exchange Target</p>	<p>None</p>

Note 1: Status of issuing corporate bonds through public offering and private placement. The issuance of corporate bonds by public offering has been approved by the FSC and become effective. The issuance of corporate bonds through private placement refers to the portion of bonds passed by the Board for offering.

Note 2: The space of the field is adjusted as needed.

Note 3: For overseas corporate bonds.

Note 4: Such as the limitation of payout cash dividend, direct investment or requirements for keeping assets at a specific ratio.

Note 5: Private placements have been highlighted in a visible manner.

Note 6: For convertible bonds, exchangeable bonds, the overall corporate bonds declared for issuance or corporate bonds with subscription features shall be tabulated by type with disclosure of the information on convertible bonds, exchangeable bonds, the overall corporate bonds declared for issuance or corporate bonds with subscription features.

【Attachment 7】 The 2020 Financial Statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Anli International Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Anli International Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit of the consolidated financial statements as at and for the year ended December 31, 2020 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China is and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as at and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(13) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of allowance for inventory losses.

The Group is primarily engaged in the sales of steelwork of computer, communication and consumer electronic (3C) products. There is a higher risk of incurring loss on inventory valuation and obsolescence after considering the highly competitive market, short life cycle of electronic products, and fluctuations in market prices. Further, the determination of net realisable value in the evaluation of inventories involves subjective judgement. Thus, we consider evaluation of inventories as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies and procedures related to the provision for allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of its industry, including the classification of inventory in determining net realisable value.
2. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of internal controls over inventory.
3. Verified the appropriateness of evaluation used in preparing inventory aging report in order to confirm whether the information in the reports is consistent with the Group's inventory policies.
4. Checked the appropriateness of classification of obsolete inventory and amount of

net realisable value, including testing inventory sales or purchase prices, recalculating and evaluating the reasonableness of allowance for inventory valuation losses.

Existence and occurrence of revenue from customers with significant changes in sales

Description

Refer to Notes 4(25) and 6(18) for accounting policy on revenue recognition and related details of revenue.

The Group is primarily engaged in the sales of steelwork of computer, communication and consumer electronic (3C) products. For the year ended December 31, 2019, revenue from top ten customers constituted more than 80% of consolidated operating revenue. As such, the existence and occurrence of revenue from top ten customers are considered to be material to the consolidated operating revenue. Due to significant changes in revenue recognition arising from the top ten customers because of the highly competitive market, comparatively large changes in sales revenue and the pressure from the management to meet its financial targets, we consider existence and occurrence of revenue from customers with significant changes in sales as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Understood and assessed the internal control of sales revenue from the customers with significant changes in sales and tested the effectiveness of its relevant control procedures.
2. Sampled and tested whether the sales schedules were in agreement with the supporting documents to ascertain the existence of revenue from customers with significant changes in sales.
3. Inspected related documents relating to sales returns and discounts, which were requested by customers with significant changes in sales, which occurred subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

Other matter – Initial audit engagement

The consolidated financial statements of the Group for the year ended December 31, 2018 were audited by other auditors whose report dated March 6, 2019, expressed an unqualified opinion on those statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Chiu, Chao-Hsien

Chen, Chin-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 23, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 743,115	24	\$ 537,856	22
1110	Financial assets at fair value through profit or loss - current	6(2)	920	-	-	-
1150	Notes receivable	6(3)	1,378	-	1,075	-
1170	Accounts receivable	6(4)	1,023,325	32	591,759	25
1180	Accounts receivable due from related parties	7	5,822	-	18	-
1200	Other receivables		4,319	-	3,439	-
1220	Current income tax assets		6,621	-	-	-
130X	Inventories	6(5)	173,691	6	100,969	4
1410	Prepayments		23,818	1	19,324	1
11XX	Total current assets		<u>1,983,009</u>	<u>63</u>	<u>1,254,440</u>	<u>52</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	17,356	-	10,044	-
1600	Property, plant and equipment	6(6)	854,739	27	717,872	30
1755	Right-of-use assets	6(7)	281,146	9	298,628	12
1780	Intangible assets	6(8)	1,525	-	2,480	-
1840	Deferred tax assets	6(27)	19,039	1	13,310	1
1915	Prepayments for business facilities		8,783	-	39,185	2
1920	Guarantee deposits paid		2,354	-	72,013	3
1990	Other non-current assets	6(8)	-	-	3,971	-
15XX	Total non-current assets		<u>1,184,942</u>	<u>37</u>	<u>1,157,503</u>	<u>48</u>
1XXX	Total assets		<u>\$ 3,167,951</u>	<u>100</u>	<u>\$ 2,411,943</u>	<u>100</u>

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 12,920	1	\$ 67,500	3
2130	Contract liabilities - current	6(20)	470	-	62	-
2150	Notes payable		-	-	-	-
2170	Accounts payable		228,140	7	167,639	7
2180	Accounts payable to related parties	7	160	-	-	-
2200	Other payables	6(13)	437,374	14	332,827	14
2230	Current income tax liabilities	6(27)	-	-	6,222	-
2280	Lease liabilities - current	6(6)(7)	12,105	-	11,569	1
2320	Long-term liabilities, current portion	6(12)	3,934	-	3,833	-
2399	Other current liabilities		799	-	529	-
21XX	Total current liabilities		<u>695,902</u>	<u>22</u>	<u>590,181</u>	<u>25</u>
Non-current liabilities						
2530	Bonds payable	6(11)	382,697	12	-	-
2540	Long-term borrowings	6(12)	42,975	1	46,936	2
2570	Deferred income tax liabilities	6(27)	143,301	4	109,606	4
2580	Lease liabilities - non-current	6(7)	25,746	1	37,830	2
2630	Long-term deferred revenue	6(14)	118,793	4	123,138	5
2645	Guarantee deposits received		431	-	430	-
25XX	Total non-current liabilities		<u>713,943</u>	<u>22</u>	<u>317,940</u>	<u>13</u>
2XXX	Total liabilities		<u>1,409,845</u>	<u>44</u>	<u>908,121</u>	<u>38</u>
Equity						
Equity attributable to ordinary shareholders of parent						
Share capital						
3110	Ordinary share	6(17)	432,477	14	432,477	18
Capital surplus						
3200	Capital surplus	6(18)	479,795	16	463,064	19
Retained earnings						
3310	Legal reserve	6(19)	101,249	3	85,818	3
3320	Special reserve		144,423	5	97,033	4
3350	Unappropriated retained earnings		738,619	23	569,853	24
Other equity						
3400	Other equity interest		(138,457)	(5)	(144,423)	(6)
31XX	Total equity attributable to ordinary shareholders of parent		<u>1,758,106</u>	<u>56</u>	<u>1,503,822</u>	<u>62</u>
3XXX	Total equity		<u>1,758,106</u>	<u>56</u>	<u>1,503,822</u>	<u>62</u>
3X2X	Total liabilities and equity		<u>\$ 3,167,951</u>	<u>100</u>	<u>\$ 2,411,943</u>	<u>100</u>

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, for earnings per share amounts)

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 2,075,283	100	\$ 1,473,398	100
5000 Operating costs	6(5)(25)(26)	(1,367,947)	(66)	(1,022,174)	(70)
5900 Gross profit from operations		<u>707,336</u>	<u>34</u>	<u>451,224</u>	<u>30</u>
Operating expenses	6(25)(26)				
6100 Selling expenses		(59,120)	(3)	(66,395)	(4)
6200 Administrative expenses		(192,564)	(9)	(162,074)	(11)
6300 Research and development expenses		(46,677)	(2)	(39,740)	(3)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(440)	-	(431)	-
6000 Total operating expenses		<u>(298,801)</u>	<u>(14)</u>	<u>(268,640)</u>	<u>(18)</u>
6900 Operating income		<u>408,535</u>	<u>20</u>	<u>182,584</u>	<u>12</u>
Non-operating income and expenses					
7100 Interest income	6(21)	4,401	-	6,436	-
7010 Other income	6(22)	9,445	-	10,280	1
7020 Other gains and losses	6(23)	(51,031)	(2)	(13,741)	(1)
7050 Finance costs	6(24)	(5,203)	-	(3,972)	-
7000 Total non-operating income and expenses		<u>(42,388)</u>	<u>(2)</u>	<u>(997)</u>	<u>-</u>
7900 Profit before income tax		<u>366,147</u>	<u>18</u>	<u>181,587</u>	<u>12</u>
7950 Income tax expense	6(27)	(82,663)	(4)	(27,278)	(2)
8200 Profit		<u>\$ 283,484</u>	<u>14</u>	<u>\$ 154,309</u>	<u>10</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 7,312	-	\$ -	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial statements		(1,346)	-	(47,392)	(3)
8500 Total comprehensive income		<u>\$ 289,450</u>	<u>14</u>	<u>\$ 106,917</u>	<u>7</u>
Earnings per share (in dollars)	6(25)				
9750 Basic earnings per share		<u>\$ 6.56</u>		<u>\$ 3.57</u>	
9850 Diluted earnings per share		<u>\$ 6.41</u>		<u>\$ 3.55</u>	

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Total equity
	Capital Reserves					Retained Earnings			Other Equity Interest			
	Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, employee share options	Capital surplus, share options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	
<u>Year ended December 31, 2019</u>												
Balance at January 1, 2019	\$ 432,477	\$ 456,522	\$ -	\$ 6,542	\$ -	\$ 67,827	\$ 66,769	\$ 563,269	(\$ 97,031)	\$ -	\$ -	\$ 1,496,375
Profit for the year	-	-	-	-	-	-	-	154,309	-	-	-	154,309
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	(47,392)	-	-	(47,392)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	154,309	(47,392)	-	-	106,917
Appropriations of 2018 earnings												
Legal reserve	6(19)	-	-	-	-	17,991	-	(17,991)	-	-	-	-
Special reserve	6(19)	-	-	-	-	-	30,264	(30,264)	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(99,470)	-	-	-	(99,470)
Balance at December 31, 2019	\$ 432,477	\$ 456,522	\$ -	\$ 6,542	\$ -	\$ 85,818	\$ 97,033	\$ 569,853	(\$ 144,423)	\$ -	\$ -	\$ 1,503,822
<u>Year ended December 31, 2020</u>												
Balance at January 1, 2020	\$ 432,477	\$ 456,522	\$ -	\$ 6,542	\$ -	\$ 85,818	\$ 97,033	\$ 569,853	(\$ 144,423)	\$ -	\$ -	\$ 1,503,822
Profit for the year	-	-	-	-	-	-	-	283,484	-	-	-	283,484
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	(1,346)	7,312	-	5,966
Total comprehensive income for the year	-	-	-	-	-	-	-	283,484	(1,346)	7,312	-	289,450
Appropriations of 2019 earnings												
Legal reserve	6(19)	-	-	-	-	15,431	-	(15,431)	-	-	-	-
Special reserve	6(19)	-	-	-	-	-	47,390	(47,390)	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(51,897)	-	-	-	(51,897)
Issuance of convertible bonds	6(11)	-	-	-	15,779	-	-	-	-	-	-	15,779
Purchase of treasury stocks	-	-	-	-	-	-	-	-	-	-	(604)	(604)
Shared-based payment	6(16)	-	-	952	-	-	-	-	-	-	-	952
Treasury stocks transferred to employees	6(16)	-	-	952	(952)	-	-	-	-	-	604	604
Balance at December 31, 2020	\$ 432,477	\$ 456,522	\$ 952	\$ 6,542	\$ 15,779	\$ 101,249	\$ 144,423	\$ 738,619	(\$ 145,769)	\$ 7,312	\$ -	\$ 1,758,106

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 366,147	\$ 181,587
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	112,846	100,452
Amortization	6(25)	1,171	1,174
Gain on financial assets at fair value through profit or loss	6(23)	120	(1,947)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	440	431
Finance costs	6(24)	5,203	3,972
Interest income	6(21)	(4,401)	(6,436)
Impairment loss		3,750	-
Recognition of long-term deferred revenue	6(14)	(4,480)	(3,234)
Losses on disposals of property, plant and equipment	6(23)	3,709	1,297
Net currency exchange losses		34,307	10,324
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		-	1,947
Accounts receivable		(449,738)	94,730
Accounts receivable due from related parties		(5,828)	(18)
Notes receivable		(299)	1,568
Other receivables		(314)	(2,286)
Inventory		(72,728)	9,154
Prepayments		(4,423)	6,296
Changes in operating liabilities			
Contract liabilities		404	(411)
Accounts payable		61,242	18,419
Accounts payable to related parties		(7,681)	(17)
Other payables		103,555	(63,354)
Other current liabilities		270	205
Cash inflow generated from operations		143,272	353,853
Receipt of interest		3,849	7,268
Payment of interest		(4,408)	(4,097)
Payment of income tax		(58,672)	(19,292)
Net cash flows from operating activities		84,041	337,732

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income - non-current		\$ -	(\$ 10,044)
Acquisition of property, plant and equipment	6(29)	(111,150)	(167,035)
Proceeds from disposal of property, plant and equipment		3,365	4,062
Acquisition of right-of-use assets		-	(105,278)
Acquisition of intangible assets		-	(1,005)
Increase in prepayments for business facilities		(92,781)	(4,837)
Decrease (increase) in guarantee deposits paid		69,111	(69,533)
Increase in other non-current assets		-	(4,482)
Net cash flows used in investing activities		(131,455)	(358,152)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from issuance of convertible bonds	6(30)	396,435	-
Redemption of long-term borrowings	6(30)	(3,860)	(3,760)
Redemption of lease liabilities	6(30)	(11,511)	(11,301)
(Decrease) increase in short-term loans	6(30)	(50,827)	67,500
Increase in guarantee deposits	6(30)	-	327
Payment of cash dividends	6(17)	(51,897)	(99,470)
Purchase of treasury stocks		(604)	-
Treasury stocks transferred to employees		604	-
Net cash flows from (used in) financing activities		278,340	(46,704)
Effects of exchange rate changes on cash		(25,667)	(29,061)
Net increase (decrease) in cash and cash equivalents		205,259	(96,185)
Cash and cash equivalents at beginning of year		537,856	634,041
Cash and cash equivalents at end of year		\$ 743,115	\$ 537,856

【Attachment 8】 2020 Profit Distribution Table

Anli International Co., Ltd
2020 Profit Distribution Table

Item	(NTD) Amount
Unappropriated Earnings at beginning of period	455,134,814
Add: 2020 Net Profit After Tax	283,484,124
Minus: Legal Reserves	-28,348,412
Add: Reversal Special Reserves	5,965,710
Distributable net profit	716,236,236
Minus: cash dividend(@NTD 3.5 per share)	-152,119,576
Unappropriated Retained Earnings at end of period	564,116,660

【Attachment 12】Comparison Table for the Operational Procedures for Loaning of Company Funds Before and After Revision

Comparison Table for the Operational Procedures for Loaning of Company Funds Before and After Revision

After Amendment	Before Amendment	The Reasons
<p>Article 3 Total and Individual Loan Limits</p> <ol style="list-style-type: none"> 1. The aggregate total amount loaned by the Company shall not exceed 40% of the Company's net worth. 2. For a company or firm with the necessity of the short-term financing fund, the individual lending amount shall not exceed 10% of the net worth of the Company. 3. <u>Where one of the Company's subsidiaries holding more than 50% of the voting shares either directly or indirectly falls into a need for short-term financing, the amount of such individual loan so granted shall not exceed the maximum limit at 10% of the Company's net worth.</u> <p>Among the foreign companies in which the Company holds 100% voting shares either directly or indirectly or where the foreign companies in which the Company holds 100% voting shares either directly or indirectly, is free of the limitations set forth under <u>the first and second paragraphs above. However, the total amount of funds loaned and the limit of individual objects shall not exceed 100% of the net value of the loaned company's most recently verified visa or financial statement by an accountant. Among the foreign companies in which the Company</u></p>	<p>Article 3 Total and Individual Loan Limits</p> <ol style="list-style-type: none"> 1. The aggregate total amount loaned by the Company shall not exceed 40% of the Company's net worth. 2. For a company or firm with the necessity of the short-term financing fund, the individual lending amount shall not exceed 10% of the net worth of the Company. <p>Among the foreign companies in which the Company holds 100% voting shares either directly or indirectly or where the foreign companies in which the Company holds 100% voting shares either directly or indirectly, the amount of such loan shall not exceed 100% of the Company's net worth.</p> <p>Where one of the Company's subsidiaries holding more than 50% of the voting shares either directly or indirectly falls into a need for short-term financing, the amount of such individual loan so granted shall not exceed the maximum limit at 10% of the Company's net worth.</p>	<p>Revised for operation.</p>

<p><u>holds 100% voting shares either directly or indirectly or where the foreign companies in which the Company holds 100% voting shares either directly or indirectly, the period and method of interest calculation for capital loans and financing with the Company shall be duly handled in accordance with Article 5 of these operating procedures.</u></p>		
<p>Article 4 Lending Procedures</p> <p>1. Delegation scope After the finance department conducts the credit investigation on the Company’s lending, it shall be approved by the presidents and reported to the board of directors for resolution. It shall not delegate other persons to make a decision. The opinions of an independent director should be taken into absolute consideration. Whenever an independent director voices objection or reservation (qualified opinion), such objection or reservation (qualified opinion) shall be expressly entered into the minutes of the board meeting.</p> <p>A loan case between the Company and its subsidiary or among the Company’s subsidiaries shall be, according to the aforementioned requirements, posed to the board of directors for resolution. Meanwhile, the chairman may be authorized to <u>appropriate</u> the loan within the credit line limit resolved by the board of directors.</p>	<p>Article 4 Lending Procedures</p> <p>1. Delegation scope After the finance department conducts the credit investigation on the Company’s lending, it shall be approved by the presidents and reported to the board of directors for resolution. It shall not delegate other persons to make a decision. The opinions of an independent director should be taken into absolute consideration. Whenever an independent director voices objection or reservation (qualified opinion), such objection or reservation (qualified opinion) shall be expressly entered into the minutes of the board meeting.</p> <p>The lending between the Company and the subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending’s counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.</p>	<p>Revised for operation.</p>
<p>Article 5 Loan Tenor and Interest Accrual</p>	<p>Article 5 Loan Tenor and Interest Accrual</p>	<p>Revised for</p>

<p>1. Where engaging in financing business, <u>the Company shall determine the interest rates with reference to the Company's time deposits, interest rates of loans with the financial institutions.</u></p> <p>2. In response to the substantial need of utilization of working capital, the period of a loan granted shall not exceed the maximum limit of one year. <u>Among the foreign companies in which the Company holds 100% voting shares either directly or indirectly or where the foreign companies in which the Company holds 100% voting shares either directly or indirectly, the period of a loan shall not exceed the maximum limit of three years. The periods of financing by the Company shall be duly resolved by the board of directors according to the respective loanees in the financing and the financing amounts.</u></p> <p>3. Whenever a loatee of a financing case fails to fulfill the financing contract, the Company is entitled to dispose of the collateral or guarantor(s) provided thereby according to law for reimbursement and to further charge the default penalty fine by adding 10% in addition to the agreed interest rate.</p> <p>4. The target loanees of financing cases mentioned under Paragraph 3 above exclude the subsidiaries in which the Company holds 100% voting shares either directly or indirectly.</p>	<p>1. The interest rates for financing by the Company shall be duly determined by the board of directors according to the respective financing targets and the financing interest rates.</p> <p>2. In response to the substantial need of utilization of working capital, the period of a loan granted shall not exceed the maximum limit of one year. The periods of financing by the Company shall be duly resolved by the board of directors according to the respective loanees in the financing and the financing amounts.</p> <p>3. Whenever a loatee of a financing case fails to fulfill the financing contract, the Company is entitled to dispose of the collateral or guarantor(s) provided thereby according to law for reimbursement and to further charge the default penalty fine by adding 10% in addition to the agreed interest rate.</p> <p>4. The target loanees of financing cases mentioned under Paragraph 3 above exclude the subsidiaries in which the Company holds 100% voting shares either directly or indirectly.</p>	<p>operation.</p>
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【Attachment 10】 Comparison Table for the Procedural Rules of General Meetings Before and After Revision

Comparison Table for the Procedural Rules of General Meetings Before and After Revision

After Amendment	Before Amendment	The Reasons
<p>Article 8 Convention of A Meeting</p> <p>Omitted</p> <p>The chairman shall call the general meeting to order at the time scheduled for the general meeting, <u>while announcing information relating to, among others, the number of non-voting shares and that of shares whose holders are present at the meeting.</u> If the number of Shares represented by the attending Shareholders has not yet constituted the quorum (more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote) at the time scheduled for the general meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at most, and the general meeting shall not be postponed for more than one hour in total. If the quorum is not met after two postponements and the attending Shareholders still represent less than one third (1/3) of all Shares in issue, the chairman shall declare the meeting adjourned. If after two postponements the number of Shares represented by the attending Shareholders has constituted more than one-third (1/3) of all Shares in issue, a tentative resolution may be</p>	<p>Article 8 Convention of A Meeting</p> <p>Omitted</p> <p>The chairman shall call the general meeting to order at the time scheduled for the general meeting. If the number of Shares represented by the attending Shareholders has not yet constituted the quorum (more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote) at the time scheduled for the general meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at most, and the general meeting shall not be postponed for more than one hour in total. If the quorum is not met after two postponements and the attending Shareholders still represent less than one third (1/3) of all Shares in issue, the chairman shall declare the meeting adjourned. If after two postponements the number of Shares represented by the attending Shareholders has constituted more than one-third (1/3) of all Shares in issue, a tentative resolution may be passed in accordance with the Applicable Listing Rules, and all Shareholders shall be notified of the tentative resolution and another shareholders meeting shall be</p>	<p>In order to conform to the amendments to related commercial laws.</p>

After Amendment	Before Amendment	The Reasons
<p>passed in accordance with the Applicable Listing Rules, and all Shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairman may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with the Applicable Listing Rules.</p>	<p>convened within one month. Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairman may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with the Applicable Listing Rules.</p>	
<p>Article 9 Proposal Discussion</p> <p>Omitted</p> <p>In addition to Article 50 of the Articles, matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions.</p> <p>Omitted</p>	<p>Article 9 Proposal Discussion</p> <p>Omitted</p> <p>In addition to Article 50 of the Articles, matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; the previous material contents of such matters may be uploaded onto the website designated by the Commission or the Company with the address of website indicated in the notice.</p> <p>Omitted</p>	<p>In order to conform to the amendments to related commercial laws.</p>

After Amendment	Before Amendment	The Reasons
<p>Article 14 Voting on Proposal</p> <p>Omitted</p> <p>Where directors and/or supervisors (if any) are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results, including the list of elected directors and/or supervisors and numbers of shares voted for the election of directors and/or supervisors (if any), <u>as well as the list of directors and/or supervisors (if any) who are not elected and the number of votes they receive respectively</u>, shall be announced at the same meeting.</p> <p>Omitted</p>	<p>Article 14 Voting on Proposal</p> <p>Omitted</p> <p>Where directors and/or supervisors (if any) are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results, including the list of elected directors and/or supervisors and numbers of shares voted for the election of directors and/or supervisors (if any), shall be announced at the same meeting.</p> <p>Omitted</p>	<p>In order to conform to the amendments to related commercial laws.</p>

IV 、 Appendix

【Appendix 1】 The Procedures for Ethical Management and Guidelines for Conduct

Anli International Co., Ltd

Procedures for Ethical Management and Guidelines for Conduct

Approved by the board of directors on November 08, 2019.

Approved by the board of directors on March 23, 2020.

Approved by the shareholders meeting on June 30, 2020.

Edition : 03

Article 1 Purposes and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, “Procedures and Guidelines”) are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations (hereinafter “business group”), such as institutions or juristic persons, substantially controlled by the Company.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term “personnel of the Company” refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 Responsible unit and duties

The Company shall designate the Board of Directors as the solely responsible unit and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc. And also submit regular reports (at least once a year) to the board of directors:

Article 6 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.

2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. In case of a pecuniary gift amidst the social etiquette and government official etiquette, the financial market value of such a gift the same source in a single event shall not exceed the maximum limit of NTD500,000. Besides this, the financial donation from a same source within a same year shall not exceed the maximum limit of NTD1.5 million.
7. Other conduct that complies with the rules of the Company.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

For such affairs, the Company's dedicated unit shall, based on the attribute and value of the benefit, duly offer an appropriate suggestion by means of a refund, acceptance with payment, offer to public, transfer to a charity or other recommendation as appropriate, and submit such suggestion to the appropriate authority for approval before enforcement.

Article 8 Prohibition of and handling procedure for facilitating payments

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Procedures for handling political contributions

In principle, the Company does not at all get involved in any sort of political donations. In case of a substantial need to deal with the involvement in political donations in the future, such a case shall be reported to the Company's board of directors for approval before further enactment of other operating procedures.

Article 10 Procedures for handling charitable donations or sponsorships

In a case of charitable donation or sponsorship to be offered by the Company, the Company shall duly act in accordance with the principles enumerated below: A case valued below NTD3 million (inclusive) shall be reported to and approved by the chairman beforehand. A case in excess of NTD3 million shall be reported to and approved by the chairman before being reported to the board of directors for retrospective acknowledgement.

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. The donee of a charitable donation shall be a charitable organization or a nonprofit organization. Under no circumstances shall a charitable donation be conducted as a guise of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 Recusal

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Special unit in charge of confidentiality regime and its responsibilities

The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 Prohibition against unfair competition

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 Prevention of damage caused by products and services to stakeholders

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

Article 15 Prohibition against insider trading and Non-disclosure agreement

All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to

any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 Compliance and announcement of policy of ethical management

The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.

3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent

evidence and cooperate fully with the investigation. Either party who proves to have been impaired is entitled to claim against the other for compensation for damages in an amount of a certain ratio of the contract amount and such compensation for damages may be deducted in full with the contract price.

2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 Handling of unethical conduct by personnel of this Corporation

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports.

A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

1. One who proves to have been false or misrepresented in the report shall be held responsible according to law.
2. In case of a case reported found bearing vague or groundless fact, the accepting unit shall record that report case for information but shall not entertain it. Where the fact or

evidence annexed to the contents reported calls for investigation, the accepting unit shall still duly handle it as the actual situations may justify.

Article 22 Actions upon event of unethical conduct by others towards the Company

An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.

1. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
2. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
3. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
4. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
5. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 23 Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

1. Here at the Company, the dedicated unit shall sponsor one publicity promotion in each and every year and shall arrange for the chairman, general manager or ranking management to pass on the importance of Best-Practice Principles on Good Faith Management toward directors, employees and appointees.
2. The Company shall link ethical management to employee human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.
3. If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in

accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

4. The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 Enforcement

These operating procedures and behavioral guidelines shall be put into enforcement after being resolved in the board of directors and shall be reported to the audit committee and shareholders' meeting. This same provision is applicable mutatis mutandis to an event of amendment.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Anli International Co., Ltd

The Operational Procedures for Loaning of Company Funds

November 28, 2011, First Edition

The 2nd amendment was made on February 18, 2013.

Approved by the shareholders meeting on June 27, 2017.

Approved by the board of directors on April 18, 2019.

Approved by the shareholders meeting on June 05, 2019.

Edition : 04

Article 1 Objectives and statutory authority

These procedures are hereby duly enacted as the guiding grounds for the Company in the operating procedures while granting loans to others.

These procedures are duly enacted in accordance with Article 36–1 of Securities and Exchange Act (hereinafter referred to as the Act) and “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (hereinafter referred to as the Regulations).

where financial laws or regulations provide otherwise, such provisions shall govern.

Article 2 The target loanees and the reasons of the loans

1. Where the Company falls into a need for short-term financing, the reasons and circumstances for such a loan shall be expressly enumerated.
2. The aforementioned target loanees shall be limited to the Company’s subsidiaries holding more than 50% of the voting shares either directly or indirectly. The Company shall not loan to a shareholder or any person other than a subsidiary.

The term “short-term” as set forth in the first paragraph denotes the period of one year.

Article 3 Total and Individual Loan Limits

1. The aggregate total amount loaned by the Company shall not exceed 40% of the Company’s net worth.
2. For a company or firm with the necessity of the short-term financing fund, the individual lending amount shall not exceed 10% of the net worth of the Company.

Among the foreign companies in which the Company holds 100% voting shares either directly or indirectly or where the foreign companies in which the Company holds 100% voting shares either directly or indirectly, the amount of such loan shall not exceed 100% of the Company's net worth.

Where one of the Company's subsidiaries holding more than 50% of the voting shares either directly or indirectly falls into a need for short-term financing, the amount of such individual loan so granted shall not exceed the maximum limit at 10% of the Company's net worth.

The terms "subsidiary" and "parent company" mentioned in the guidelines shall follow the definitions provided in Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The "Net Worth" referred to in the Procedure shall mean the equity of balance sheet attributable to the parent operations according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Operational Procedures for Loaning Funds

1. Credit assessment

For the process of the Company's loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility. When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the lending. The evaluation items shall at least include:

- (1) The necessity of and reasonableness of extending loans to others.
- (2) To measure the necessity of the lending amount based on the financial position of the counterparty of the lending.
- (3) Whether the accumulated amount of lending is still within the limit.
- (4) Impact on the company's business operations, financial condition, and shareholders' equity.
- (5) Whether collateral must be obtained and appraisal of the value thereof.

(6) Credit check and risk assessment record of the entities for loaning of funds

The subsidiaries in which the Company holds 100% voting shares either directly or indirectly are exempted from the evaluation process set forth under Paragraphs 5 and 6.

2. Security

Where the Company handles capital loans or such affairs, the Company shall, while necessary, conduct mortgage process with movable properties or real property. In terms of credit guarantee as mentioned under the preceding paragraph, if the debtor provides a person or a company with considerable financial resources and credit to function as a guarantee instead of providing collateral, the board of directors may accept that loan case with reference to the credit investigation report offered by the Department of Finance. Where a company functions as a guarantee, the Company shall prudentially check and make sure whether the provision of guarantee has been expressly provided under its Articles of Incorporation.

3. Delegation scope

After the finance department conducts the credit investigation on the Company's lending, it shall be approved by the presidents and reported to the board of directors for resolution. It shall not delegate other persons to make a decision. The opinions of an independent director should be taken into absolute consideration. Whenever an independent director voices objection or reservation (qualified opinion), such objection or reservation (qualified opinion) shall be expressly entered into the minutes of the board meeting.

The lending between the Company and the subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.

Article 5 Period of loan and methods of interest calculation

1. The interest rates for financing by the Company shall be duly determined by the board of directors according to the respective financing targets and the financing interest rates.
2. In response to the substantial need of utilization of working capital, the period of a loan granted shall not exceed the maximum limit of one year. The periods of financing by the Company shall be duly resolved by the board of directors according to the respective loanees in the financing and the financing amounts.
3. Whenever a loanee of a financing case fails to fulfill the financing contract, the Company is entitled to dispose of the collateral or guarantor(s) provided thereby according to law for reimbursement and to further charge the default penalty fine by adding 10% in addition to the agreed interest rate.
4. The target loanees of financing cases mentioned under Paragraph 3 above exclude the subsidiaries in which the Company holds 100% voting shares either directly or indirectly.

Article 6 Post-lending Management and Procedures for Overdue Loans

A subsidiary where the Company does not hold 100% voting shares is subject to the following procedures:

1. After the amount of the lending is remitted, the borrowers and guarantors' financial, business and related credit status shall always be paid attention to. If there is collateral, the changes in the collateral's value shall also be paid attention to. In the event of significant changes, the chairman shall be notified immediately, and they shall be treated appropriately according to instruction.
2. When the borrower repays the loan at the expiration of loan or before expiration, the payable interest shall be calculated first. After payable interest and principal are paid, the notes can be cancelled and returned to the borrower or process the cancellation of mortgage.
3. Where the loan and the case have been approved by the board of directors with a decision duly resolved, the Department of Finance may, depending on the funding need of the loanee in the financing case, appropriate the loan either in a lump-sum or in installments and the target loanee may, as well, either repay the loan in a lump-sum or amortize in installments. Where the loanee defaults, the Company may dispose of the collateral or the guarantor(s) and claim reimbursement according to law.

Article 7 Internal Audit

1. For the lending, the Company shall establish a memorandum book to record the detail information in respect of the lending's counterparty, amount, the date approved by the board of directors, the date remitted

- and other regulated information that shall be carefully assessed.
2. The internal auditors shall audit the execution of the procedure and make a written record. If he discovers serious violation of the procedure, he shall make a written notice to the Audit Committee immediately. Where a managerial officer or person-in-charge of the Company proves in contravention of these Regulations and the laws and regulations linked up therewith, the Company shall report the case in accordance with the Company's Personnel Regulations and Employee Handbook for evaluation for penalty as the level of seriousness may justify.
 3. When the lending's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to audit committee and shall be completed according to the planning schedule.

Article 8 Public announcement and declaration

1. The Company shall announce the previous month's lending balance of the Company and the subsidiaries by the 10th day of each month.
2. If the lending balance meets one of the following criteria, it shall be announced within 2 days from the date of the fact:
 - (1) The aggregate balance of loans of funds to others by the company and its subsidiaries reaches 20 percent or more of the public company's net worth as stated in its latest financial statement.
 - (2) The balance of loans of funds to others by the company and its subsidiaries for a single enterprise reaches 10 percent or more of the public company's net worth as stated in its latest financial statement
 - (3) The capital loans balance added by the Company or its subsidiaries has exceeded NTD10 million and exceeded 2% of the Company's latest financial statement net worth.
 - (4) Where a subsidiary of the Company is not a company of public offering in the country, all such matters for public announcement and declaration required for that subsidiary enumerated under the preceding paragraph shall be conducted by the Company.

The term "date of occurrence of the fact" as set forth in these procedures denotes the date on which the transaction contract is signed, the payment date, the date when the decision is resolved by the board of directors or the date on which the target loanee and amount are ascertained, whichever comes earlier.

Article 9 Control over a case where a subsidiary loans fund to another.

Where a subsidiary of the Company intends to loan funds to another, the Company shall order that subsidiary to duly work out procedures for Loaning of Funds to Others in accordance with these procedures and to grant the loan exactly in accordance with the procedures so worked out. The Company shall

further order that subsidiary to declare to the Company in writing about the balances, loanees and periods of the loans granted in the preceding month not later than the fifth day of every month. The Company's audit department shall take the performance of a subsidiary regarding loans granted to others as one of the quarterly key audit points. Such audit outcome of that subsidiary shall also be taken as an essential item on audit business to be reported to the board of directors and the supervisors.

Where a subsidiary of the Company is not a public offering company and where the balance of the funds loaned to others is up to the standards for public announcement and promulgation set forth under Article 8, that subsidiary shall notify the Company of such facts on the date of occurrence of the fact and the Company shall launch the announcement and declaration to public onto the designated website as required.

Article 10 Other information

The Company shall evaluate the facts of loaning of funds and shall, accordingly, amortize adequate allowance for doubtful accounts, disclose the relevant information in the financial statement and shall further provide the relevant information to the certified public accountant(s) to execute the relevant auditing process to issue a proper audit report.

Article 11 Implementation and revision

The enactment of or an amendment to these procedures shall be subject to consent from over one half majority of the total members in the Audit Committee and shall be submitted to the board of directors for approval and further submitted to the shareholders' meeting to be passed under an ordinary resolution before being put into force.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The total seats of the audit committee and the Board of Directors in the foregoing paragraph shall be based on the number of incumbents.

PROCEDURAL RULES OF GENERAL MEETINGS

Date : 2020.06.30 (Amended)

Edition : 06

Article 1 Legal Basis

Unless otherwise provided in the Applicable Listing Rules, the Law and the Articles, the general meetings of the Company shall be held in accordance with the Rules.

Unless otherwise defined in the Rules, any capital letters as used in the Rules shall have the same meanings as defined in the Articles of Association of the Company (as amended or substituted from time to time; hereinafter "**Articles**").

Article 2 Attendance and Sign-in

The Company shall include the information about the time slot when shareholders may report to the meeting, the reporting location, and other important messages in the notice of general meetings.

The time slot when shareholders may report to the meeting in the preceding paragraph shall begin no later than thirty minutes before the meeting. The reporting location shall be clearly identified and there should an adequate number of staff assigned for the matter.

Shareholders or their appointed proxies (the "**Shareholders**") shall attend a Shareholders' meeting by presenting an attendance ID, sign-in card or other attendance identification. The Company shall not request any additional attendance identification randomly. A proxy solicitor shall bring his/her ID for verification.

The Company shall provide a sign-in book allowing attending Shareholders or their appointed proxies to sign in or require attending Shareholders to submit attendance cards in lieu of signing in.

The Company shall deliver the meeting agenda, annual report, attendance ID, summary of speech form, voting ballot and other meeting information to Shareholders who attend a Shareholder's meeting. In case of election of director(s) and/or supervisor(s) (if any), the election ballot shall also be provided.

Unless otherwise regulated in the Applicable Listing Rules or the Law,

corporate Shareholders' attendance of a general meeting shall be in accordance with the Articles.

Article 3 **Calculation of Attending Shares**

The number of Shares represented by Shareholders attending the general meeting shall be calculated in accordance with the sign-in book or the number of attendance cards submitted by Shareholders in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4 **Venue and Time of General Meetings**

According to the Articles and the Applicable Listing Rules, all general meetings shall be convened at such venues convenient for Shareholders' attendance and suitable for convention, and shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. Full consideration shall be given to the opinions of Independent Directors with respect to the venue and time of the general meeting.

Article 5 **Identification of Appointed Professionals and Other Relevant Persons Who May Be Present**

The Company may appoint its lawyer(s), accountant(s) or other relevant person(s) to be present at a general meeting. All supporting staff for the general meeting shall wear an identification badge or arm-band.

Article 6 **Audio Recording or Videotaping of Meetings for Evidence**

A general meeting shall be audio recorded and videotaped in its entirety on a continuous, non-stop basis from the time Shareholders report to the meeting and the meeting itself to voting and ballot counting, and these tapes shall be kept for at least one year. However, the said tapes shall be kept until the conclusion of legal proceedings if a Shareholder initiates proceedings in accordance with the Applicable Listing Rules.

Article 7 **The Chairman and Agent**

Subject to the Applicable Listing Rules, the Chairman of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of the Directors. 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 Chairman; if there is no Vice Chairman or the Vice Chairman also is 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 chair, or, if there are no

Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.

Where a Managing Director or a Director is to act as the agent for the chairman in the preceding paragraph, only the Managing Directors or Directors who have been in the position for six months or more and have a good understanding of the Company's financial and business conditions may be allowed to do so. The same shall apply in case that the representative of a corporate director acts as the chairman.

For a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.

Article 8 Convention of A Meeting

The Company shall prepare the notice of general meetings, the proxy form, and the information relating to the subject and description of proposals for recognition and for discussion, election and/or dismissal of directors and supervisors (if any) in the form of electronic file to be uploaded to the Market Observation Post System thirty (30) days before annual general meetings or fifteen (15) days before extraordinary general meetings. The meeting agenda for general meetings and supplemental meeting information shall be prepared in the form of electronic file to be uploaded to the Market Observation Post System twenty (21) days before annual general meetings or fifteen (15) days before extraordinary general meetings. The meeting agenda for general meetings and supplemental meeting information shall be ready for Shareholders' review at all time by fifteen (15) days before general meetings, and such information shall be available at the Company and professional stock agent appointed by the Company and be distributed at general meetings.

When Shareholders propose in writing to the Company a proposal for discussion at an annual general meeting in accordance with Article 52 of the Articles, shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. Shareholders making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

The chairman shall call the general meeting to order at the time scheduled for the general meeting. If the number of Shares represented by the

attending Shareholders has not yet constituted the quorum (more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote) at the time scheduled for the general meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at most, and the general meeting shall not be postponed for more than one hour in total. If the quorum is not met after two postponements and the attending Shareholders still represent less than one third (1/3) of all Shares in issue, the chairman shall declare the meeting adjourned. If after two postponements the number of Shares represented by the attending Shareholders has constituted more than one-third (1/3) of all Shares in issue, a tentative resolution may be passed in accordance with the Applicable Listing Rules, and all Shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairman may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with the Applicable Listing Rules.

Article 9 **Proposal Discussion**

For a Shareholders' meeting convened by the Board of Directors, it is advised that the chairman shall host the Shareholders' meeting in person and a majority of the Directors and the chairperson of the Audit Committee (or at least one supervisor (if any)) are present at the meeting. In addition, all functional committees shall send at least one representative to preside over the Shareholders' meeting and their attendance shall be recorded in the meeting minutes.

The agenda of general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors, and each proposed matter (including ad hoc motions and amendment(s) to an existing matter(s)) shall be voted on separately. Unless otherwise approved in the general meeting, the general meeting shall proceed in accordance with the agenda.

The preceding paragraph applies to circumstances where the general meeting is convened by any person, other than the Board of Directors, entitled to convene such general meeting.

Unless otherwise resolved at the general meeting or in accordance with Article 17 of the Rules, the chairman cannot announce adjournment of the general meeting before all items listed in the agenda are resolved; after a meeting is adjourned, Shareholders shall not elect a chairman and resume the meeting at the same or another venue. In case that the chairman

adjourns the general meeting in violation of the Rules, other members of the Board of Directors shall promptly assist the attending Shareholders to elect, by a majority of votes represented by attending Shareholders present in the general meeting, another person to serve as chairman to continue the general meeting in accordance with due procedures.

The chairman shall provide sufficient time for the explanation and discussion of all items listed in the agenda and amendments submitted by Shareholders. The chairman may announce an end of discussion and submit an item for a vote and arrange for sufficient and appropriate time for voting if the chairman deems that the agenda item is ready for voting and the discussion and amendments proposed complied with the Applicable Listing Rules and the Articles.

Where a general meeting is convened by the Company, the voting rights at the general meeting shall be exercised by way of electronic transmission, and may also be exercised in writing. For shareholders to exercise voting rights in writing or by electronic means, the method for exercising the voting rights shall be described in the notice of the general meeting. A shareholder who exercises voting rights in writing or by electronic means shall be deemed to attend the general meeting in person but shall be deemed to have waived his/her/its voting rights in respect of any ad hoc motion(s) and/or the amendment(s) to an existing matter(s) at said general meeting. Hence, it is advisable that the proposal of ad hoc motions and amendment(s) to an existing matter(s) be avoided at a general meeting.

In addition to Article 50 of the Articles, matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; the previous material contents of such matters may be uploaded onto the website designated by the Commission or the Company with the address of website indicated in the notice

If a general meeting notice has specified the re-election of all directors and supervisors (if any) and the date of assumption of office, such date of assumption of office shall not be changed by an ad hoc motion or otherwise if the re-election has been completed in said meeting.

Article 10 **Speech of Shareholder**

When a Shareholder attending the general meeting wishes to speak, a speech note should be filled out with summary of the speech, the Shareholder's account number (or the number of attendance card) and the account name of the Shareholder. The sequence of speeches shall be determined by the chairman.

If any attending Shareholder at the general meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such Shareholder. In case contents of the speech of a Shareholder are inconsistent with the contents of the speech note, the content of actual speech shall prevail.

Any Shareholder may not speak more than twice concerning the same item without chairman's consent, and each speech time shall not exceed five minutes. In case the speech of any Shareholder violates this paragraph or is outside the scope of the agenda item, the chairman may stop the speech of such Shareholder.

Unless otherwise permitted by the chairman and the speaking Shareholder, no Shareholder shall interrupt the speech of other Shareholders. The chairman shall stop such interruption.

If a corporate Shareholder has appointed two or more representatives to attend the general meeting, only one representative can speak for each agenda item.

After the speech of any Shareholder, the Chairman may make responses by him or herself or appoint an appropriate person to respond.

Article 11 **Proposal by Shareholder**

In accordance with the Applicable Listing Rules and subject to Article 52 of the Articles, any Shareholders who individually or collectively hold one percent (1%) or more of the total number of issued Shares of the Company may submit to the Company a proposal for discussion at the annual general meeting.

The Company shall issue a public notice announcing acceptance of shareholders' proposals, methods to accept shareholders' proposals in writing or by electronic transmission, and the place and period to accept proposals submitted by shareholders before suspension of transfer of shares before regular meeting of shareholders. The period for accepting shareholders' proposals shall not be less than ten (10) days.

Article 12 **Calculation of Voting Shares and Recusal**

Voting at a general meeting shall be based on the number of Shares.

The number of Shares represented by Shareholders present at the meeting shall be calculated in accordance with the sign-in book or submitted attendance card, plus the voting Shares exercised in writing or electronically.

The Shares solicited by solicitors and Shares represented by proxies shall be disclosed in a statement in the form consistent with the Applicable Listing Rules posted at a conspicuous location within the meeting venue on the meeting day.

The Shares held by any Shareholders with no voting rights shall not be included in the total number of issued Shares while voting on resolutions in the general meeting.

To the extent required by the Applicable Listing Rules and in accordance with Article 66 of the Articles, any Shareholder who bears a personal interest that may conflict with and impair the interest of the Company in respect of any proposed matter for consideration an approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to said matter.

Any Shares held by any Shareholders who are not permitted to exercise voting rights in the preceding paragraph shall not be counted in the number of votes of Shareholders present at the general meeting for relevant resolutions.

Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities, when a person who acts as the proxy for two or more Shareholders concurrently, the number of votes represented by him shall not exceed three percent of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.

Subject to the Applicable Listing Rules, if any Shareholder holding Shares for and on behalf of another person or entity, such Shareholder may assert to exercise the voting rights separately. The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

Article 13 **Principle for Voting Right**

Subject to the Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person represented by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.

Shareholders shall vote on each of the proposals presented at the meeting and the result of the vote indicating Shareholders' consent, objection and abstaining from voting shall be entered at the Market Observation Post

System on the day immediately following the convention of the Shareholders' meeting.

Where any Director or supervisor (if any), who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director or supervisor (if any), such Director or supervisor (if any) shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director or supervisor (if any) at the time of his/her appointment as Director or supervisor (if any), and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

Article 14 **Voting on Proposal**

Unless otherwise provided for under the Applicable Listing Rules or the Articles, a proposal put to a vote shall be approved by consent of a majority of Shareholders present at the meeting attended.

The Company must adopt electronic voting as one of the voting methods in the general meeting.

In case of an amendment proposal or substitute proposal to an original proposal, the chairman shall decide on the order of vote together with the original proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further vote is required.

Where directors and/or supervisors (if any) are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results, including the list of elected directors and/or supervisors and numbers of shares voted for the election of directors and/or supervisors (if any), shall be announced at the same meeting.

Voting ballots cast in the election of director(s) shall be signed and sealed by scrutinizer and properly kept for at least one (1) years; provided, however, that in case of a litigation instituted by Shareholder, these ballots shall then be kept until conclusion of the litigation.

Article 15 **Checking and Counting Ballots**

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be Shareholders. The ballots cast in the voting

of a general meeting or for election proposal shall be publicly counted at any general meeting venue and the result of voting, including the numbers of shares voted, shall be announced at the same general meeting after all ballots have been counted and placed on record.

Article 16 **Meeting Minutes**

Any resolutions made at a general meeting shall be compiled in the form of meeting minutes. The chairman shall affix his/her signature or seal to the meeting minutes, which shall be issued to shareholders within twenty days after the end of the general meeting. Meeting minutes may be produced and issued to Shareholders in electronic form.

While the Company remains as a listing company in Taiwan, the meeting minutes referred to in the preceding paragraph may be distributed, alternatively, by way of making public announcement at the Market Observation Post System (the "MOPS").

The meeting minutes must faithfully record the meeting's date (year, month, day), place, Chairman's name, resolution method, highlights of the deliberations, and voting results (including the votes calculated). In case of election of directors and/or supervisors (if any), the Company shall disclose individual vote count of each candidate. The meeting minutes shall be kept during the existence of the Company.

The number of votes casted for and against a resolution and the total number of votes cast shall be recorded in the meeting minutes.

The Company shall upload the relevant information and contents of the resolution made in the general meeting onto the MOPS within the prescriptive period if there is any material information (as defined and prescribed under the Applicable Listing Rules) in such resolution.

Article 17 **Intermission and Resumption of A Meeting**

During the general meeting, the chairman may, at his or her discretion, set time for intermission. In exceptional cases, when there are incidents that temporarily prevent the normal progress of the general meeting, the chairman may decide to temporarily suspend the general meeting and announce, depending on the situation, the time that the meeting will resume.

Before the agenda set for the general meeting are completed, if the meeting venue cannot continue to be used for the general meeting, upon approval by the Ordinary Resolution, the chairman may seek another venue to resume the general meeting. Upon approval by Ordinary Resolution, the

chairman may (and shall if so directed by the meeting) adjourn the general meeting if necessary.

The Shareholders may resolve to adjourn or resume the general meeting within five days in accordance with the Applicable Listing Rules and the Articles.

Article 18 **Preservation of Order at the Meeting Venue**

The chairman may direct inspectors (or security guards) to assist in preserving the order at the meeting venue. Inspectors (or security guards) shall wear an arm-band with the word "Inspector" when assisting in preserving the order at the meeting venue.

The chairman may direct inspectors or security guards to ask Shareholders who violate the Rules, disobey the chairman's correction, impede the process of the meeting and do not comply after being asked to stop to leave the meeting venue.

If there is speaker facility at the meeting venue and a shareholder speaks with the facility other than that prepared by the Company, the chairman may stop him.

Article 19 **Enforcement and Amendment**

Establishment and amendment to the Rules shall be subject to approval of the Board of Directors, which shall be further approved by Ordinary Resolution in the general meeting.

【Appendix 4】 The Company's Articles of Incorporation.

THE COMPANIES LAW (2020 REVISION)
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
Anli International Co., Ltd
Incorporated on June 23, 2010
(Adopted by Special Resolution passed on June 30, 2020)

THE COMPANIES LAW (2020 REVISION)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

Anli International Co., Ltd

(Adopted by Special Resolution passed on June 30, 2020)

1. The name of the Company is Anli International Co., LTD (the "**Company**").
2. The registered office of the Company will be situated at the offices of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted.
The Company have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law of the Cayman Islands (2020 Revision) (the "**Law**").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is **NT\$ 1,000,000,000** divided into **100,000,000** Common Shares of a nominal or par value of **NT\$ 10** each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

THE COMPANIES LAW (2020 REVISION)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Anli International Co., Ltd

(Adopted by Special Resolution passed on June 30, 2020)

TABLE A

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

INTERPRETATION

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

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

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

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

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

"**Book-Entry Transfer**" means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If

the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall be recorded in the entry sub-account under the Company's account with the securities central depository in Taiwan;

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

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

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

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

"**Common Share**" means a common share in the capital of the Company of NT\$10 nominal or par value issued subject to and in accordance with the provisions of the Law and these Articles, and having the rights and being subject to restrictions as provided for under these Articles with respect to such Share;

"**Constituent Company**" means an existing company that is participating in a Merger with one (1) or more other existing companies within the meaning of the Applicable Listing Rules;

"**Directors**" and "**Board of Directors**" and "**Board**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

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

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

"**electronic**" shall have the meaning given to it in the Electronic Transactions 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" means the emerging market board of Taipei Exchange in Taiwan;

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

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

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

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

"Law" means the Companies Law of the Cayman Islands (2020 Revision) and every modification, reenactment or revision thereof for the time being in force;

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

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

"Merger" means a transaction whereby:

(a) (i) the merging of two (2) or more Constituent Companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as a New Company, which New Company generally assumes all rights and obligations of the combined companies; or (ii) the merging of two (2) or more Constituent Companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as the Surviving Company, and in each case the consideration for the transaction being the shares of the surviving or new company or any other company, cash or other assets; or

(b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" within the meaning of the Applicable Listing Rules;

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

"Office" means the registered office of the Company as required by the Law;

"Ordinary Resolution" means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall

be had in computing a majority to the number of votes to which each Shareholder is entitled;

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

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

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

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

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

"**Register**" or "**Register of Members**" means the register of Members of the Company required to be kept pursuant to the Law;

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

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

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

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

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

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

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

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

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

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

"Special Resolution" means 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 (2/3) of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

"Spin-off" refers to an act wherein a transferor company transfers all or part of its independently operated business to an existing or a newly incorporated company and that existing transferee company or newly incorporated transferee company issues shares, or pays cash or other property to the transferor company or to shareholders of the transferor company as consideration in accordance with the Applicable Listing Rules;

"Supermajority Resolution Type A" means a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than half of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than two-thirds (2/3) of all issued Shares of the Company;

"Supermajority Resolution Type B" means where the Shareholders attending the general meeting are holding less than two-thirds (2/3) of all issued Shares of the Company entitled to vote thereon as required under the Supermajority Resolution Type A, a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than half of all issued Shares of the Company;

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

"Surviving Company" means the sole remaining Constituent Company into which one (1) or more other Constituent Companies are merged within the meaning of the Applicable Listing Rules;

"Taipei Exchange" means the Taipei Exchange in Taiwan;

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

"TSE" means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:
 - (a) words importing the singular number shall include the plural number and vice versa;
 - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
 - (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
 - (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
 - (e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and
 - (f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one (1) and partly another.
3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.
5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so

paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Board of Directors shall keep, or cause to be kept, the Register which may be kept in or outside the Cayman Islands at such place as the Board of Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :

- (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
- (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. 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 the Directors.

10. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“**preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:

- (a) number of preferred Shares issued by the Company and the number of preferred Shares the Company is authorized to issue;
- (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on preferred Shares;
- (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;

- (e) other matters concerning rights and obligations incidental to preferred Shares; and
 - (f) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.
11. Subject to these Articles and the Applicable Listing Rules, the issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.
 12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
 13. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, upon each issuance of new Shares, the Directors may reserve not more than fifteen percent (15%) of the new shares for subscription by the employees of the Company and/or any Subsidiaries of the Company who are determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
 14. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided herein, in the Applicable Listing Rules or resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Shares, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 13 (if any) and Article 16 respectively, first offer such remaining new Shares by public announcement and a written notice to each Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The public announcement and written notice shall state the procedures for exercising such pre-emptive rights. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one (1) or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public offering or for subscription by specific person or persons through negotiation. If any person who has subscribed the new Shares fails to pay when due the subscription price in full within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the Shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Listing Rules.

15. The employees' pre-emptive right under Article 13 and the Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
- (a) in connection with a Merger with another company, Spin-off, Share Exchange, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
 - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares.
16. For so long as the Shares are registered in the Emerging Market, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company may allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. For so long as the Shares are listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned ten percent (10%) is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, the Company shall obtain a prior approval of the Commission and/or other competent authorities for any capital increase (i.e., issue of new Shares) (whether inside Taiwan or outside Taiwan) in accordance with the Applicable Listing Rules.
17. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors, adopt one (1) or more employee incentive programmes (such as employee stock option plan) pursuant to which options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and/or any Subsidiaries of the Company to subscribe for Shares. The options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).

- 17B. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company may, with the authority of either a Supermajority Resolution Type A or a Supermajority Resolution Type B, issue restricted shares for employees. In respect of the issuance of restricted shares for employees in the preceding paragraph, the number of shares to be issued, issue price, issue conditions and other matters shall be subject to the Applicable Listing Rules and the requirements of the Commission.

PRIVATE PLACEMENT

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

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, a private placement of ordinary corporate bonds may be carried out in instalments within one (1) year of the date of the relevant resolution of the Board of Directors approving such private placement.

MODIFICATION OF RIGHTS

18. Whenever the capital of the Company is divided into different Classes (such as the Common Shares and the preferred Shares), the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class) only be materially adversely varied or abrogated (including but not limited to the circumstances where there is any amendment to these Articles which may be prejudicial to the rights of the holders of any preferred Shares) by: (i) a Special Resolution passed at a general meeting of holders of Common Shares; and (ii) a Special Resolution passed at a separate meeting of the holders of Shares of the relevant Class (such as the preferred Shares).

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

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

CERTIFICATES

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

FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue 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 OF SHARES

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

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

23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve or the form required by the Taipei Exchange or TSE (for so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE) and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares. The Register of Members maintained by the Company in respect of the Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be kept by recording the particulars required under the Law in a form otherwise than legible provided such recording otherwise complies with the laws applicable to the Emerging Market, Taipei Exchange or TSE and the Applicable Listing Rules. To the extent the Register of Members is kept in a form otherwise than legible it must be capable of being reproduced in a legible form.
24. The Board may decline to register any transfer of any Share unless:
 - (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one (1) class of Shares;
 - (c) the instrument of transfer is properly stamped, if required; or
 - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four (4).

Notwithstanding the above, the Board may not unreasonably decline to register any transfer of any Shares. This Article is not applicable during the period that the Shares are registered in the Emerging Market or listed in Taipei Exchange or TSE.

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

TRANSMISSION OF SHARES

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

VOTING ON RESOLUTION

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

The Company may from time to time by Ordinary Resolution:

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

- (c) subdivide its existing Shares, or any of them into Shares of a smaller amount; and
- (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

31. The Company may also by Special Resolution:

- (a) change its name;
- (b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law; and
- (c) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law.

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

32. The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:

- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (b) transfer the whole or any material part of its business or assets;
- (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) effect any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Exchange, or Spin-off of the Company in accordance with the Applicable Listing Rules;
- (e) acquire or transfer assets and liabilities by way of general assumption or transfer;
- (f) grant waiver to the Director's engaging in any business within the scope of the Company's business;
- (g) issue restricted shares for employees pursuant to Article 17B; and
- (h) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubt, the allotment of bonus shares in connection with the Employees' Remuneration and Directors' Remuneration pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B.

33. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;

- (a) either a Supermajority Resolution Type A or a Supermajority Resolution Type B, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
 - (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 33(a) above.
- 33A The Company shall pass a Supermajority Special Resolution if the Company effects a Delisting in accordance with the Applicable Listing Rules.
34. Subject to compliance with the Law, in the event any of the resolutions with respect to the paragraphs from (a) to (e) of Article 32 is passed at a general meeting, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price.

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

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

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

REDEMPTION AND PURCHASE OF SHARES

35. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.
36. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
37. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Subject to these Articles, every share certificate representing a redeemable share shall indicate that the share is redeemable.
38. Subject to the Applicable Listing Rules and Articles 38B and 39B, 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.
- 38B. Subject to the Applicable Listing Rules, upon approval of a majority of Directors present at a Board meeting attended by two-thirds (2/3) of all Directors or more, the Company may repurchase its outstanding Shares listed on the Taipei Exchange or TSE. The resolutions of Board of Directors in the preceding paragraph and how such resolutions are implemented shall be reported to the Shareholders at the next general meeting. If the Company fails to accomplish the repurchase of its outstanding Shares listed on the Taipei Exchange or TSE as approved and anticipated by the resolutions of the Board of Directors, it shall be reported to the Shareholders at the next general meeting.
39. The redemption price or repurchase price may be paid in any manner authorised by the Law 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.

- 39B. The Shares may only be cancelled in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor with the sanction of either the Supermajority Resolution Type A or the Supermajority Resolution Type B. The number of Shares to be repurchased and cancelled pursuant to a repurchase of Shares described in the preceding paragraph shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

The amount payable to the Shareholders in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). The assets to be delivered and the amount of such substitutive share capital in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor shall be approved by either the Supermajority Resolution Type A or the Supermajority Resolution Type B and shall be subject to consent by the Shareholder receiving such assets. Prior to such general meeting, the Board of Directors shall have the value of assets to be delivered and the amount of such substitutive share capital in respect of repurchase of the Shares (as described in the preceding paragraph) be audited and certified by a certified public accountant in Taiwan.

TREASURY SHARES

40. No share may be redeemed unless it is fully paid-up. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be immediately cancelled or held as Treasury Shares in accordance with the Law and Applicable Listing Rules. If the Board of Directors does not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
- 40B. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of Treasury Shares.
- 40C. 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) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law, save that, subject to the Applicable Listing Rules and the Law, an

allotment of Shares as fully paid bonus shares in respect of a Treasury Shares is permitted and Shares allotted as fully paid bonus shares in respect of a Treasury Shares shall be treated as Treasury Shares.

- 40D Subject to Article 40E and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If the Treasury Shares having been repurchased by the Company is for the purpose of the transfer to employees under the Applicable Listing Rules, such employees may undertake to the Company to refrain from transferring such Shares during certain period with a maximum of two (2) years.
- 40E. Subject to the Applicable Listing Rules, the transfer of Treasury Shares to its employees by the Company at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company shall be approved at the next general meeting by a resolution passed by at least two-thirds (2/3) of votes of Shareholders attending the meeting with a quorum of more than half of the total issued Shares. The following matters shall be listed in the reasons for convening this general meeting and in no event shall such matters be proposed at the general meeting as ad hoc motions:
- (a) transfer price determined, discount rate, calculation basis and fairness;
 - (b) number of Treasury Shares to be transferred, purpose and fairness;
 - (c) criteria of eligible employees and number of Treasury Shares that may be subscribed for; and
 - (d) impact on shareholders' rights: (i) the amount to be booked as expense of the Company and dilution of earnings per Share; and (ii) description of the Company's financial burden arising from the transfer of Treasury Shares to employees at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company.

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

CLOSING REGISTER OR FIXING RECORD DATE

41. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may

provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Register shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days inclusive of the date of each annual general meeting, each extraordinary general meeting and the record date for a dividend distribution, respectively.

42. Apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a general meeting and for the purpose of determining those Members that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 42 in respect of convening a general meeting, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the Taipei Exchange or TSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

43. All general meetings other than annual general meetings shall be called extraordinary general meetings.
44. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year and shall specify the meeting as such in the notices calling it.
45. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, all general meetings shall be held in Taiwan, if a general meeting is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 46, the relevant Shareholders, shall apply for the approval of the Taipei Exchange or the TSE.
46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding three percent (3%) or more of the total number of issued Shares of the Company for a period of one (1) consecutive year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the objects of the meeting, and if the Board does not duly proceed to convene such meeting for a date not later than 15 days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the requisitionists themselves may convene the extraordinary general meeting in the same manner as provided for under Article 48, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

47. If at any time there are no Directors, any Shareholder or Shareholders holding three percent (3%) or more of the total number of the issued Shares of the Company for a period of one (1) consecutive year or a longer time may, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

48. At least twenty (20) and ten (10) days' notices in writing shall be given for any annual and extraordinary general meetings, respectively; provided however for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, at least thirty (30) and fifteen (15) days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. Notwithstanding the foregoing paragraph, as long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, for any annual and extraordinary general meetings, the written notice may be made by way of public announcement to the Shareholders holding less than 1,000 Shares.

Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.

- 48B. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Company shall make public announcements with regard to notice of general meeting, proxy form, and summary information and details about issues for recognition, discussion, election or dismissal of Directors or supervisors (if any) at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.

If the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 67, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.

49. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the Board shall prepare a manual setting out the agenda of a general meeting (including all the subjects and matters to be resolved at the meeting) and shall make public announcement(s) in a manner permitted by the Applicable Listing Rules to disclose the contents of such manual together with other information related to the said meeting at least twenty-one (21) days prior to the date of annual general meetings and at least fifteen (15) days prior to the date of extraordinary general meetings. Such manual shall be distributed to all Shareholders attending the general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at the general meeting.

50. The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEX or the Company with the address of website indicated in the notice:

- (a) election or discharge of Directors or supervisors (if any);
- (b) amendments to the Memorandum of Association and/or these Articles;
- (c) reduction in share capital of the Company;
- (d) application for de-registration as a public company;
- (e) dissolution, Share Exchange(as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;
- (f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (g) the transfer of the whole or any material part of its business or assets;
- (h) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (i) the private placement of equity-linked securities;
- (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
- (k) distribution of part or all of its dividends or bonus by way of issuance of new Shares;
- (l) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;
- (m) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them;
- (n) the transfer of Treasury Shares to its employees by the Company; and
- (o) the Delisting.

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

PROCEEDINGS AT GENERAL MEETINGS

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

The Board shall accept a proposal submitted by one or more Shareholders and arrange for the proposal to be discussed at the annual general meeting unless (i) the number of Shares held by such one or more Shareholders is less than one percent (1%) in aggregate of the total number of issued Shares in the Register of Members as of the record date determined by the Board or upon commencement of the period for which the Register shall be closed before the general meeting; (ii) the proposal involves matters which cannot be resolved at the annual general meeting in accordance with or under the Law or Applicable Listing Rules; (iii) the proposal submitted concerns more than one matter; (iv) the proposal submitted exceeds three hundred words; or (v) the proposal is not submitted within the specified period determined by the Board; provided, however, that if the proposal submitted is to urge the Company to facilitate the public interest or perform social responsibility, the Board may accept that proposal and arrange for it being discussed at the annual general meeting. The Company shall, prior to the dispatch of a notice of the annual general meeting, inform the Shareholders the result of submission of proposals and list in the notice of annual general meeting the proposals accepted for consideration and approval at the annual general meeting. The Board shall explain at the annual general meeting the reasons for excluding proposals submitted by such Shareholder(s).

53. Subject to the Applicable Listing Rules, the Chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of Directors. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves a chairman for such meeting.
- 53A. Any one or more Shareholders holding in aggregate more than half of the total number of the issued Shares of the Company for at least three (3) consecutive

months may convene an extraordinary general meeting. The determination of the afore-mentioned holding period and number of Shares shall be based on the Shares held immediately prior to the relevant book close period.

54. Subject to the Applicable Listing Rules, for a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.
- 54A. The Board of Directors or any person who is entitled to convene a general meeting pursuant to Article 53A above or under these Articles may demand the Company or its Shareholders' Service Agent to provide the Register of Members.
55. Subject to the Applicable Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
56. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting shall be passed by an Ordinary Resolution.
57. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.

VOTES OF SHAREHOLDERS

58. Subject to these Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder by proxy shall have one (1) vote for each Share of which he or the Person represented by proxy is the holder. Subject to the Law and unless otherwise provided for in these Articles, any resolutions at a general meeting of the Company shall be adopted by an Ordinary Resolution.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, any Shareholder holding Shares on behalf of one or more Persons (each a "**Beneficial Owner**") may exercise his/her voting rights severally in accordance with the request(s) of such Beneficial Owner. The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

59. No vote may be exercised by any Shareholder with respect to any of the following Shares:

- (a) the Treasury Shares held by the Company in accordance with the Law, these Articles and the Applicable Listing Rules;
- (b) the Shares held by any subordinate company of the Company as defined in the Applicable Listing Rules, where the total number of voting shares or total shares equity held by the Company in such a subordinated company represents more than one-half (1/2) of the total number of voting shares or the total shares equity of such a subordinated company; or
- (c) the Shares held by another company, where the Company and its subordinated company directly or indirectly hold more than one-half (1/2) of the total number of the voting shares or total shares equity of such company.

Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the total number of issued shares while calculating the quorum for the purpose of Article 51.

- 60. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
- 61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, guardian or any other Person who is similar to guardian and appointed by any court having jurisdiction, may vote by proxy.
- 62. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing an instrument in usual or common form or such other form as the Directors may approve, and such proxy form shall be prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one (1) such proxy form and appoint one (1) 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 (2) or more written proxies from one (1) Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.
- 62B. After a proxy is delivered to the Company, if the Shareholder issuing the proxy intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, the Shareholder shall issue a written notice to the Company to revoke the proxy at least two (2) days prior to the general meeting. If the revocation is not made during the prescribed period, the votes casted by the person as proxy shall prevail.
- 63. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b)

the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice by mail or electronic transmission for the relevant general meeting. Notwithstanding any other provisions of these Articles, the distribution of the notice and proxy materials shall be made to all Shareholders and such distribution, regardless of delivering by email or by electronic transmission, shall be made on the same day.

64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
65. Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or the chairman appointed pursuant to Article 68, when a person who acts as the proxy for two (2) or more Shareholders concurrently, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of votes in excess of the said three percent (3%) represented by such proxy shall not be counted.
66. To the extent required by the Applicable Listing Rules, any Shareholder who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed (the "**Proposed Matters**") for consideration and approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, but all such Shares shall be counted in the quorum for the purpose of Article 51 notwithstanding that such Shareholder should not exercise his voting right. Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the number of votes of Shareholders present at the general meeting for the resolution relating to the Proposed Matters by the Company.
67. Unless otherwise provided in these Articles, the voting at the general meeting may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the votes shall be described in the notice of the general meeting. Subject to the Applicable Listing Rules, the Company must allow the voting at the general meeting be exercised by way of electronic transmission as one of the voting methods at the general meeting. If the Board resolves to hold a general meeting outside Taiwan, the Company must allow the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission.
68. A Shareholder who exercises his votes in writing or by way of electronic transmission as set forth in the preceding article shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, 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; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing

Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.

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

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

If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 68 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

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

PROXY AND PROXY SOLICITATION

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

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

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

DIRECTORS

74. Unless otherwise determined by the Company in general meeting, the number of Directors shall be no less than five (5) Directors with a maximum of nine (9) Directors. Amongst the Board of Directors, the Company shall have at least three (3) Independent Directors, and the Independent Directors shall account for at least one-fifth (1/5) of the total number of Directors. At least one (1) of the Independent Directors must be domiciled in Taiwan. For so long as the Shares are listed on the Taipei Exchange or the TSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer. The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors and Independent Directors shall be subject to and governed by the Applicable Listing Rules.

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

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

When the number of Independent Directors falls below the required number of Independent Directors under these Articles or the Applicable Listing Rules due to the disqualification or resignation of an Independent Director or the Independent Director ceases to be a Director for any reason, the vacancy of such Independent Director shall

be filled and elected at the next following general meeting. When all of the Independent Directors have been disqualified, resigned or cease to be Directors for any reason, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to elect Independent Directors.

76. Unless otherwise permitted by the Commission and under the Applicable Listing Rules, a spousal relationship and/or a Family Relationship within the Second Degree of Kinship shall not exist among more than half (1/2) of the Directors (the “**Threshold**”).

Where the Directors elected at the general meeting do not meet the Threshold, the election of the Director receiving the lowest number of votes among those not meeting the Threshold shall be deemed null and void. If any of the existing Directors does not meet the Threshold, such Director in office shall be discharged immediately and automatically.

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

If all Directors are re-elected at a general meeting held prior to the expiration of the term of the current Directors (the “**Re-Election**”), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Re-Election. The aforesaid re-election of all Directors shall be held in the general meeting attended by Shareholders representing more than fifty percent (50%) of total issued Shares of the Company.

78. The general meeting of the Shareholders may appoint any natural person or corporation to be a Director or supervisors (if any). At a general meeting of election of Directors or supervisors (if any), the number of votes exercisable in respect of one (1) Share shall be the same as the number of Directors or supervisors (if any) to be elected, and the total number of votes per Share may be consolidated for election of one (1) candidate or may be split for election of two (2) or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director or supervisor (if any) so elected.

79. For so long as the Shares are registered in Emerging Market or listed on the Taipei Exchange or TSE, subject to the Applicable Listing Rules, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment and election of Directors (including the Independent Directors) or supervisors (if any) in accordance with the Applicable Listing Rules and, for the avoidance of doubt, (i) the Directors (excluding the Independent Directors) or supervisors (if any) shall only be elected and approved by the Shareholders from the list of candidates for Directors (excluding the

Independent Directors) and supervisors (if any); and (ii) the Independent Directors shall only be elected and approved by the Shareholders from the list of candidates for Independent Directors.

Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

80. Subject to these Articles, the term for which a Director and supervisor (if any) will hold office shall not exceed three (3) years; thereafter he/she may be eligible for re-election. In case no election of new Directors or supervisors (if any) is effected after expiration of the term of office of the existing Directors or supervisors (if any), the term of office of such Directors or supervisors (if any) shall be extended until the time new Directors or supervisors (if any) are elected and assume their office.
81. A Director may be discharged at any time by either a Supermajority Resolution Type A or a Supermajority Resolution Type B 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.
82. The Board of Directors shall have a Chairman (the “**Chairman**”) elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office.
- 82B. For so long as the Shares are registered on the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, any Director (other than the Independent Director) or supervisor (if any), who, during his or her term and in one or more transactions, transfers more than fifty percent (50%) of the total Shares held by such Director or supervisor (as the case may be) at the time of his or her appointment or election as Director or supervisor (as the case may be) being approved at a general meeting (the “**Approval Time**”), shall be discharged or vacated from the office of Director or supervisor (as the case may be).

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

83. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of

the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

84. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 84B. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, where any Director, who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

DIRECTORS' FEES AND EXPENSES

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

ALTERNATE

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

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

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

POWERS AND DUTIES OF DIRECTORS

89. At the close of each financial year, the Board of Directors shall prepare the business report, financial statements and the surplus earning distribution and/or loss offsetting proposals for adoption by the annual general meeting, and upon such adoption by the annual general meeting, distribute or make public announcements to each Shareholder copies of adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting in accordance with these Articles and the Applicable Listing Rules. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
90. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company.
91. The Directors may from time to time appoint any Person (exclusive of any Independent Directors), whether or not such Person is a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one (1) or more vice-presidents or chief financial officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Notwithstanding the foregoing, if any Directors hold either of the above positions, the relevant remuneration shall be subject to Article 85. Any Person so appointed by the Directors may be removed by the Directors.
92. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
93. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

94. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
95. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the two next following Articles shall not limit the general powers conferred by this Article.
96. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company (including but not limited to remuneration committee), and unless otherwise provided in the Applicable Listing Rules, the members of such committees shall be Directors. Where any Director holds above position, the relevant remuneration shall be subject to Article 85.
97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- 97B Subject to the Cayman Islands law and the Applicable Listing Rules, any Director shall owe fiduciary duties to the Company and such fiduciary obligations shall include but not limited to the observance of general standards of loyalty, good faith and the avoidance of a conflict of duty and self-interest. If any Director breaches the aforesaid fiduciary duties, subject to the Cayman Islands law and the Applicable Listing Rules, such Director shall be held liable for any damages therefrom.

Subject to the Cayman Islands law and the Applicable Listing Rules, if any Director violates the aforesaid fiduciary duties for him/herself or another person, it may be resolved at the general meeting to deem any income from such behaviour as the Company's income.

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

Subject to Cayman Islands law and the Applicable Listing Rules, to the extent of the scope of their respective duties, the officers and the supervisors (if any) of the

Company shall bear the liability identical to that applicable to Directors pursuant to the preceding paragraphs of this Article.

BORROWING POWERS OF DIRECTORS

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

THE SEAL

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.
101. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

102. A person shall not act as a Director and shall be discharged or vacated from the office of Director, if he or she:
- (a) committed an organized crime and has been adjudicated guilty by a final judgment, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of the sentence, his term of probation has expired or he has been pardoned is less than five (5) years;
 - (b) has been sentenced to imprisonment for a term of more than one (1) year for commitment of fraud, breach of trust or misappropriation, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of such sentence, his term of probation has expired or he has been pardoned is less than two (2) years;

- (c) has been adjudicated guilty by a final judgment for violating anti-corruption law, and he has not served the term of the sentence yet, he has not served the full term of the sentence, or the time elapsed after he has served the full term of such sentence, his term of probation has expired or he has been pardoned is less than two (2) years;
 - (d) becomes bankrupt or enters into liquidation process by a court order and has not been discharged from bankruptcy or liquidation;
 - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
 - (f) has no or only limited legal capacity;
 - (g) dies or is found to be or becomes of unsound mind;
 - (h) resigns his office by notice in writing to the Company;
 - (i) becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not been revoked; or
 - (j) is removed from office and ceases to be the Director pursuant to these Articles.
103. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and regulations and these Articles, but not been discharged or removed by a resolution of the general meeting, any Shareholder(s) holding three percent (3%) or more of the total number of issued Shares may, within thirty (30) days after that general meeting, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, in respect of such matter, for the removal of such Director, at the Company's expense.

PROCEEDINGS OF DIRECTORS

104. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. The notice of the Board meeting shall state the reasons for such meeting and shall be given to each Director at least seven (7) days prior to the meeting via mail or electronic transmission; however the Board meeting may be convened from time to time in case of any emergency in accordance with the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of Board Meetings.
105. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, by means of videoconference or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

106. Unless otherwise provided in these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half (1/2) of the Directors. A Director represented by alternate Director at any Board meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
107. A Director who directly or indirectly has personal interest in the matter proposed at the meeting of the Board, including but not limited to a contract or proposed contract or arrangement with the Company shall disclose the nature of his or her personal interest at the meeting of the Board, if he or she knows his or her personal interest then exists, or in any other case at the first meeting of the Board after he or she knows that he or she is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

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

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

Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting. If the Company proposes to enter into any transaction specified in with respect to the paragraphs from (a) to (e) of Article 32, or effect other forms of mergers and acquisitions in accordance with applicable laws, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant Board meeting and the general meeting as required by the applicable laws.

In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidiary relationship with the Director has personal interest in a matter on agenda for the Board meeting, such Director shall be deemed to have personal interest in that matter.

108. 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 either a Supermajority Resolution Type A or a Supermajority Resolution Type B. 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.
109. Notwithstanding the preceding Articles, subject to the Applicable Listing Rules, a Director (exclusive of any Independent Directors) may hold any other office or place of profit under the Company (other than the office of internal auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
110. Subject to these Articles and the Applicable Listing Rules, any Director (exclusive of any Independent Directors) may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as internal auditor to the Company.
111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
 - (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
112. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.
113. Subject to the Applicable Listing Rules, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary

quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

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

AUDIT COMMITTEE

118. The Company shall set up an Audit Committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The Audit Committee shall comprise solely of all Independent Directors and the number of committee members shall not be less than three (3). Subject to the Applicable Listing Rules, one (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have

accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half (1/2) or more of all its members.

119. Notwithstanding anything provided to the contrary contained in these Articles, the following matters require approval of one-half (1/2) or more of all members of the Audit Committee and final approval of the Board:

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

Subject to the Applicable Listing Rules, with the exception of item (j) above, any other matter that has not been approved with the consent of one-half (1/2) or more of all Audit Committee members may be undertaken upon the consent of two-thirds (2/3) or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Subject to the Applicable Listing Rules, where the Audit Committee is unable to convene a meeting for any proper cause, matters may be approved by consent of two-thirds (2/3) or more of all Directors, provided that the Independent Director members shall still be required to issue an opinion as to whether the resolution is approved in respect of a matter under item (j) above.

120. The accounts of the Company shall be audited at least once in every year.
121. The Audit Committee shall at all reasonable times have access to and may make copies of all books, all accounts and vouchers and documents kept by the Company; and the Audit Committee may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
122. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.
123. Subject to the Cayman Islands law, any Shareholder(s) holding one percent (1%) or more of the total number of the issued Shares of the Company for six (6) consecutive months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.
- If the Independent Director of the Audit Committee who has been requested by such Shareholder(s) in accordance with the previous paragraph fails or refuses to file such litigation within thirty (30) days after receiving the request by such Shareholder(s), subject to Cayman Islands law, such Shareholder(s) may file such litigation on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.
- 123A. Other than that the Board of Directors is unwilling or unable to convene a general meeting, an Independent Director of the Audit Committee may convene a general meeting for the interest of the Company when necessary.
124. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Rules of Audit Committee.

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

DIVIDENDS

125. 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.
126. Subject to Article 129, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
127. Any dividend 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.
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.

129. As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs.

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

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off accumulated losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be

distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least five percent (5%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of twenty percent (20%) and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

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

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. The Board of Directors shall prepare and submit the business reports, financial statements and records to the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the surplus earning distribution and/or loss offsetting. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
134. Subject to the Applicable Listing Rules, the Board shall keep copies of the yearly business report, financial statements and other relevant documents at the office of its Shareholders' Service Agent in Taiwan ten (10) days before the annual general meeting and any of its Shareholders is entitled to inspect such documents from time to time.
135. Save for the preceding Article 134 and Article 148, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
136. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
137. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

INTERNAL AUDIT

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

CAPITALISATION OF RESERVES

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

PUBLIC TENDER OFFER

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

SHARE PREMIUM ACCOUNT

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

NOTICES

143. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
145. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or other document, if served by:
 - (a) post or courier, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

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

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

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

INFORMATION

148. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the foresaid Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of the corporate bonds issued by the Company. The Company shall cause its Shareholders' Service Agent to provide the aforesaid documents.
149. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
150. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

INDEMNITY OR INSURANCE

151. The Company may by Ordinary Resolution adopt one (1) of the protection mechanisms as described in Article 152 (a) and (b).

152. (a) Every Director and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") may be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

(b) The Company may purchase directors and officers liability insurance ("**D&O insurance**") for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Law and the Applicable Listing Rules.

FINANCIAL YEAR

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

WINDING- UP

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

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

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

AMENDMENT OF ARTICLES OF ASSOCIATION

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

LITIGIOUS AND NON-LITIGIOUS AGENT

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

CORPORATE SOCIAL RESPONSIBILITY

159. For the purpose of performing corporate social responsibility, the Company shall follow the applicable laws, regulations and business ethics in operating its businesses and may conduct practices to facilitate public interests.

【Appendix 5】 Shareholdings of All Directors

1. Total shares issued as of April 2, 2021:44,549,781 common shares
2. As of the date for suspending the share transfer for this shareholders meeting, April 2, 2021, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Title	Name	Date elected	Current Shareholding	
			Shares	Shareholding ratio
Chairman	ANLI INTERNATIONAL LIMITED (SAMOA)	June 5, 2020	12,659,589	28.42%
Representative of ANLI INTERNATIONAL LIMITED (SAMOA)	Hsu, Cheng-Kun		496,000	1.11%
Director	KUANGHE CO., LTD.(SAMOA)	June 5, 2020	3,962,979	8.90%
Representative of KUANGHE CO., LTD.(SAMOA)	Wu Ching-Song		-	-
Director	Ways Technical Corp., Ltd.	June 5, 2020	2,163,207	4.86%
Representative of Ways Technical Corp., Ltd.	Kuo Shih-Yi		-	-
Director	Lin Chih-Kun	June 5, 2020	-	-
Independent Director	Jaung Kwun-Ming	June 5, 2020	-	-
Independent Director	Chen Yin-Chang	June 5, 2020	-	-
Independent Director	Yeh Wang-Ming	June 5, 2020	-	-
Total			19,281,775	48.58%