

**STOCK CODE : 5223**



## **Handbook for the 2025 Annual Meeting of Shareholders**

**MEETING TIME: MAY, 26, 2025**

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

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I 、 Procedure for the 2025 Annual Meeting of Shareholders

Anli International Co., Ltd

Procedure for the 2025 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation
4. Proposals
5. Discussion
6. Elections
7. Other Matters
8. Questions and Motions
9. Adjournment

## II 、 Agenda of Annual Meeting of Shareholders

Anli International Co., Ltd

### Agenda of 2025 Annual Meeting of Shareholders

Time: 10:00 a.m. on Thursday, May, 26, 2025

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

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentations
  - (1) 2024 Business Report.
  - (2) Audit Committee's Review Report on the 2024 Financial Statements.
  - (3) 2024 Employees' and Directors' Remuneration.
  - (4) Report on the 2024 communications with Internal Audit Manager by the Audit Committee.
  - (5) Amendment to the Principles for Sustainable Development Practice.
4. Proposals
  - (1) Adoption of the 2024 Business Report and Financial Statements.
  - (2) Adoption of the Proposal for Distribution of 2024 Profits and Loss Appropriation.

5. Discussion

- (1) Adoption of the amended and restated Memorandum and Articles of Association.

6. Elections

- (1) The 7th Election of Directors.

7. Other Matters

- (1) Proposal of Release the Prohibition on Directors from Participation in Competitive Business

8. Questions and Motions

9. Adjournment

## 1. Management Presentation

Report No. 1: 2024 Business Report.

Explanation: The 2024 Business Report is attached as page 10-13.

Report No. 2: Audit Committee's Review Report on the 2024 Financial Statements.

Explanation: The 2024 Audit Committee's Review Report is attached as page 14-16.

Report No. 3: 2024 Employees' and Directors' Remuneration.

Explanation: (1) According to the Articles of Incorporation adopted by the Board, where the Company makes profits before tax for the annual financial year, the Company shall allocate a minimum of two percent (2%) of such annual profits before tax for the purpose of employees' remuneration and a maximum of three percent (3%) of such annual profits before tax for the purpose of Directors' remuneration . 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.

(2) The company's profits before tax for 2024 have incurred losses. As decided by the Board, it has been determined not to distribute the 2024 Employees' and Directors' Remuneration. The Employees' and Directors' Remuneration Distribution Table is attached on page 17.

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Report No. 4: Report on the 2024 communications with Internal Audit Manager by the Audit Committee.

Explanation: Report on the 2024 communications with Internal Audit Manager by the Audit Committee. Please refer to page 18 for details.

Report No. 5: Amendment to the Amendment to the Principles for Sustainable Development Practice.

Explanation: In order to comply with the amendments to relevant laws and regulations, the Company hereby proposes to amend certain provisions of the Sustainable Development Best Practice Principles. Please refer to page 19 of the meeting handbook for details.

## 2. Proposals

Proposal No. 1: Adoption of the 2024 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 Liao, Fu-Ming 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 2024 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, page 10-13, page 20-31, page 14-16.

Resolution:

Proposal No. 2: Adoption of the Proposal for Distribution of 2024 Profit and Loss Appropriation. (Proposed by the Board)

Explanation: (1) The Board has adopted a Proposal for Distribution of 2024 Profit and Loss Appropriation in accordance with the Articles of Incorporation.

(2) The company considers the funding needs, financial structure, and sustainable business operations of the enterprise and does not plan to distribute dividends this year.

(3) The 2024 Profit and Loss Appropriation Table are attached in the Meeting Agenda, page 32.

Resolution:

### 3. Discussion

Proposal No. 1: Adoption of the amended and restated Memorandum and Articles of Association. (Proposed by the Board)

Explanation: As proposed that the Memorandum and Articles of Association of the Company should be amended for the purpose of being in line with amendments to the laws and regulations of Taiwan. The Pre - and Post-Amendment Comparison Chart for the Memorandum and Articles attachment as page 33 for details.

Resolution:



#### 4. Elections

Proposal No. 1: The 7th Election of Directors. (Proposed by the Board)

Explanation: (1) The three-year term of 7 directors of the 6th Board will be end on May 25, 2025 Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.

(2) According to Article 74 and Article 79 of the Articles of Incorporation, a total of 8 directors (including 4 independent directors) shall be elected from the nomination list prepared by the company.

(3) The qualification of the directors has been reviewed by the Board meeting on March 10, 2025. There will be 8 Directors (including 4 independent directors) elected at the Meeting. Related information please refer to page 34-36.

(4) The shareholders' meeting shall elect 8 directors. Their three-year term will start from May 26, 2025 and conclude on May 25, 2028.

Resolution:

#### 5. Other Matters

Proposal No. 1: Proposal for Release the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss. (Proposed by the Board)

Explanation: (1) Under Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall

explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

- (2) Under Article 209 of the Company Act , proposal for release the prohibition on directors from participation in competitive business, related information please refer to page 37-39.

Resolution:

## 6. Questions and Motions

## 7. Adjournment

### III 、 Attachment

#### 【Attachment 1】 2024 Business Report.

Dear Shareholders, Ladies and Gentlemen, I would like to present you the operation performance of 2024 and the prospect of the Company in the future specified below:

#### 1. 2024 Business Report

##### (1) Business highlight:

Unit: NTD thousand

Item	2024	2023	Increase (decrease) in amount	Change (%)
Operating revenue	1,660,076	1,525,203	134,873	8.84%
Operating costs	1,358,676	1,212,049	146,627	12.10%
Gross profit	301,400	313,154	(11,754)	(3.75%)
Operating expenses	309,953	320,022	(10,069)	(3.15%)
Operating profit (loss)	(8,553)	(6,868)	(1,685)	24.53%
Net non-operating revenue	1,295	8,687	(7,392)	(85.09%)
Net profit before taxation	(7,258)	1,819	(9,077)	(499.01%)
Income tax expenses	16,794	5,519	11,275	204.29%
Net income (loss)	(24,052)	(3,700)	(20,352)	550.05%

- (2) Budget execution: The Company does not disclose financial forecasts to the public.
- (3) Expected sales volume and its basis: The Company primarily establishes annual shipment targets based on customer demand forecasts, production capacity planning, and past business performance.
- (4) Financial income and expenditure, and profitability analysis:

Item		2024	2023	Increase (decrease)
Financial structure	Liabilities to assets ratio (%)	42.67	38.28	4.39
	Long-term capital to fixed assets ratio (%)	157.73	166.10	(8.37)
Solvency	Current ratio (%)	148.62	152.04	(3.42)
	Quick ratio (%)	123.38	128.41	(5.03)
Profitability	ROA (%)	1.02	(1.06)	2.08
	ROE (%)	(1.21)	(0.19)	(1.02)
	Basic earnings (loss) per share (NT\$)	(0.54)	(0.08)	(0.46)

(5) Research and development:

The Company's consolidated Research and development expenses were NT\$61,963 thousand in 2024 and NT\$71,836 thousand in 2023, accounting for 3.7% and 4.71% of the Company's consolidated revenues, respectively.

2. Outline of the Business Plan in 2024

(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 and maintain good cooperative relations with customers, keep abreast of the latest market conditions, and actively strive for orders for new products, and continue to create value for customers.
6. Establish strategic partnerships and promote the development of an industrial ecological cooperation system to provide customers with diversified integrated solutions and professional services.

- (2) Production and sales policy
  1. Active development of new products, new markets, and new applications, and develop new high-value customers.
  2. Accelerate the expansion of new products with the investment of new equipment.
  3. Continue to commit to improving the cost structure, adjusting internal management processes, and increasing production efficiency to reduce production costs and enhance market competitiveness.
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 is faced with market competition, new laws and regulations issued by securities regulators, and environmental protection laws and regulations around the world. The ever-changing global business environment affects the operational performance of the Company in every aspect.

In response to the current environmental changes, in addition to complying with new regulations promulgated by securities authorities and demanding suppliers companies' products be in line with environmental protection requirements, the Company is continuously committed to implementing a corporate governance system, improving production processes, and actively expanding production capacity to reduce production costs, and keep abreast of customers' purchase order needs to perform proper raw material procurement planning, thereby enhancing the Company's overall competitiveness.

In 2024, as inflation rates fell to near-target levels, major central banks' shift toward monetary easing played a positive role in supporting economic activity. However,

significant negative factors including political variables during an election year, intensifying geopolitical conflicts, and trade protectionism adversely affected the global economy. These factors had enormous impact, resulting in an inability to sustain profitability.

In 2025, variables including political factors, geopolitical conflicts, and order transfers require close monitoring and maintaining tight customer relationships to implement timely preventive measures. Nevertheless, The Company continues building strong collaborative foundations and partnerships with customers by providing high-quality, comprehensive services. Regardless of how challenging the 2025 environment becomes, the Company persistently pursues profitability targets and strives diligently to achieve profitable results this year. In the future, the Company will continue refining its product portfolio to actively expand revenue base, increase effective output and capacity utilization, and implement cost control measures. The Company will work diligently in these directions while adopting more efficient and user-friendly approaches to achieve a win-win situation in both operational results and regulatory compliance.

Chairman: Hsu Cheng-Kun

Manager: Hsu Cheng-Kun

Accounting Supervisor: Yao Li-Fang

**【Attachment 2】 Audit Committee’s Review Report on the 2024 Financial Statements.**

Anli International Co., Ltd

**Audit Committee’s Report**

The Audit Committee has approved and the board has ratified the 2024 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 Liao, Fu-Ming of PricewaterhouseCoopers, Taiwan, who has issued unqualified opinions. Hence, the 2024 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: 2025 Shareholders’ meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Chen Li-Yuan

March 10, 2025

Anli International Co., Ltd

Audit Committee's Report

The Audit Committee has approved and the board has ratified the 2024 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 Liao, Fu-Ming of PricewaterhouseCoopers, Taiwan, who has issued unqualified opinions. Hence, the 2024 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: 2025 Shareholders' meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Huang Kuo-Fen

March 10, 2025



Anli International Co., Ltd

Audit Committee's Report

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Submitted to: 2025 Shareholders' meeting of Anli International Co., Ltd

Audit Committee of Anli International Co., Ltd:

Independent Directors: Huang Kui-Jung

March 10, 2025

【Attachment 3】 2024 Employees' and Directors' Remuneration.

Anli International Co., Ltd

2024 Employees' and Directors' Remuneration

(NTD)	
Item	Amount
2024 Net Profit before Tax(Before minus Employees' and Directors' Remuneration)	(7,257,506)
Minus: Employees' Remuneration --6%	-
Minus: Directors' Remuneration --2%	-
2024 Net Profit before Tax(After minus Employees' and Directors' Remuneration)	(7,257,506)
Minus: 2024 Tax	16,794,291
2024 Net Profit after Tax	24,051,797

【Attachment 4】 The 2024 communications with Internal Audit Manager by the Audit Committee.

THE COMMUNICATIONS WITH INTERNAL AUDIT MANAGER BY THE AUDIT COMMITTEE.

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
2024/1/11 Audit Committee	1. Audit Report in October-November 2023. 2. Discussion on revision of the internal control system	It is approved unanimously by all participants after a lengthy explanation and discussion.
2024/3/11 Audit Committee	1. Audit Report in 2023Q4. 2. Discussion on the 2023 “Declaration of Internal Control System” 3. The Company's GHG Report 4. Discussion on revision of the internal control system	It is approved unanimously by all participants after a lengthy explanation and discussion.
2024/5/6 Audit Committee	1. Audit Report in 2024Q1. 2. The Company's GHG Report	It is approved unanimously by all participants after a lengthy explanation and discussion.
2024/7/11 Audit Committee	1. Internal Audit Report from April to May 2024 2. Discussion on revision of the internal control system	It is approved unanimously by all participants after a lengthy explanation and discussion.
2024/8/20 Audit Committee	1. Audit Report in 2024Q2. 2. The Company's GHG Report 3. Discussion on the addition of the internal control system	It is approved unanimously by all participants after a lengthy explanation and discussion.
2024/11/12 Audit Committee	1. Audit Report in 2024Q3. 2. Discussion on 2024 audit plan. 3. Discussion on amendments to the internal control system 4. Change in the Company's Chief Internal Auditor	It is approved unanimously by all participants after a lengthy explanation and discussion.

**【Attachment 5】 Comparison Table for the Principles for Sustainable Development Practice Before and After Revision**

After Amendment	Before Amendment	The Reasons
<p>Article 26-1</p> <p>The Company may, through donations, sponsorships, investments, procurement, strategic collaborations, corporate pro bono technical services, or other forms of support, continuously allocate resources to cultural and artistic activities or the cultural and creative industries, with the aim of fostering cultural development.</p>	<p>(Newly Added Provision)</p>	<p>To comply with relevant laws and regulations and to encourage the Company's support for cultural and artistic activities as well as the promotion of sustainable cultural development, this provision is newly added.</p>

【Attachment 6】 The 2024 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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. 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 2024 consolidated financial statements are stated as follows:

### **Evaluation of inventories**

#### **Description**

Refer to Note 4(12) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of allowance for inventory losses.

The Group is primarily engaged in the sales of steelwork of computer, communication, consumer electronic (3C) products and automotive components. 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 considered the 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 the 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. Obtained an understanding of the policy on inventory aging and the preparation logic of inventory aging report. Tested the selected samples to verify the accuracy of inventory aging report.
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, consumer electronic (3C) products and automotive components. For the year ended December 31, 2024, revenue from main customers constituted more than 80% of consolidated operating revenue. As such, the existence and occurrence of revenue from main customers are considered to be material to the consolidated operating revenue. Due to significant changes in revenue recognition arising from the main 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 considered the 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 over 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 with respect to sales returns and discounts from customers with significant changes in sales, which occurred subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

### ***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 that came into effect 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.



## ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

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

6. Obtain sufficient 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Chiu, Chao-Hsien

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Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 10, 2025

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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 independent auditors' report 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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
	<b>Current assets</b>			
1100	Cash and cash equivalents	6(1)	\$ 311,409	\$ 336,504
1136	Financial assets at amortised cost	6(3)		
	-current		68,402	26,016
1150	Notes receivable, net	6(4)	11,053	29,502
1170	Accounts receivable, net	6(4)	875,240	713,945
1180	Accounts receivable due from related parties, net	7	275	-
1200	Other receivables	7	12,385	14,642
130X	Inventories	6(5)	153,760	129,779
1410	Prepayments		107,804	76,475
11XX	<b>Total current assets</b>		<u>1,540,328</u>	<u>1,326,863</u>
	<b>Non-current assets</b>			
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	107,180	96,284
1535	Financial assets at amortised cost - non-current	6(3)	-	43,359
1600	Property, plant and equipment	6(6)	1,577,308	1,352,538
1755	Right-of-use assets	6(7)	235,073	241,650
1760	Investment property, net	6(8)	20,250	19,361
1780	Intangible assets		1,916	1,863
1840	Deferred tax assets	6(24)	14,195	17,570
1915	Prepayments for business facilities		22,618	16,560
1920	Guarantee deposits paid		5,471	3,220
15XX	<b>Total non-current assets</b>		<u>1,984,011</u>	<u>1,792,405</u>
1XXX	<b>Total assets</b>		<u>\$ 3,524,339</u>	<u>\$ 3,119,268</u>

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
<b>Current liabilities</b>				
2100	Short-term borrowings	6(9)	\$ 380,071	\$ 416,078
2130	Contract liabilities - current	6(18)	2,374	2,181
2170	Accounts payable		138,016	101,647
2180	Accounts payable to related parties	7	58	29
2200	Other payables	6(12)	436,415	334,422
2220	Other payables to related parties	7	559	275
2230	Current income tax liabilities		5,364	682
2280	Lease liabilities - current	6(7)	-	12,701
2320	Long-term liabilities, current portion	6(10)	72,896	4,057
2399	Other current liabilities		656	616
21XX	<b>Total current liabilities</b>		<u>1,036,409</u>	<u>872,688</u>
<b>Non-current liabilities</b>				
2540	Long-term borrowings	6(11)	167,455	31,013
2570	Deferred income tax liabilities	6(24)	185,675	174,773
2630	Long-term deferred revenue	6(13)	114,222	115,370
2645	Guarantee deposits received		93	303
25XX	<b>Total non-current liabilities</b>		<u>467,445</u>	<u>321,459</u>
2XXX	<b>Total liabilities</b>		<u>1,503,854</u>	<u>1,194,147</u>
<b>Equity</b>				
	Share capital	6(15)		
3110	Ordinary share		445,498	445,498
	Capital surplus	6(16)		
3200	Capital surplus		561,556	561,556
	Retained earnings	6(17)		
3310	Legal reserve		172,311	172,311
3320	Special reserve		128,156	98,005
3350	Unappropriated retained earnings		721,704	775,907
	Other equity			
3400	Other equity interest		( 8,740)	( 128,156)
3XXX	<b>Total equity</b>		<u>2,020,485</u>	<u>1,925,121</u>
	Significant contingent liabilities and	9		
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,524,339</u>	<u>\$ 3,119,268</u>

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

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

Items		Notes	Year ended December 31	
			2024	2023
4000	Operating revenue	6(18) and 7	\$ 1,660,076	\$ 1,525,203
5000	Operating costs	6(5)(22)(23)	( 1,358,676)	( 1,212,049)
5900	Gross profit from operations		301,400	313,154
	Operating expenses	6(22)(23)		
6100	Selling expenses		( 68,832)	( 66,216)
6200	Administrative expenses		( 176,964)	( 182,004)
6300	Research and development expenses		( 61,963)	( 71,836)
6450	Impairment (loss) gain determined in accordance with IFRS 9	12(2)	( 2,194)	34
6000	Total operating expenses		( 309,953)	( 320,022)
6900	Operating loss		( 8,553)	( 6,868)
	Non-operating income and expenses			
7100	Interest income	6(19)	5,872	10,209
7010	Other income		13,729	16,667
7020	Other gains and losses	6(20)	( 821)	( 2,619)
7050	Finance costs	6(21)	( 17,485)	( 15,570)
7000	Total non-operating income and expenses		1,295	8,687
7900	<b>(Loss) profit before income tax</b>		( 7,258)	1,819
7950	Income tax expense	6(24)	( 16,794)	( 5,519)
8200	<b>Loss for the year</b>		<u>(\$ 24,052)</u>	<u>(\$ 3,700)</u>
	<b>Other comprehensive income</b>			
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>			
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)	\$ 10,896	\$ 6,081
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
8361	Exchange differences on translation		108,520	( 41,216)
8300	<b>Other comprehensive income (loss) for the year</b>		<u>\$ 119,416</u>	<u>(\$ 35,135)</u>
8500	<b>Total comprehensive income (loss) for the year</b>		<u>\$ 95,364</u>	<u>(\$ 38,835)</u>
	Loss per share (in dollars)	6(25)		
9750	Basic loss per share		(\$ 0.54)	(\$ 0.08)
9850	Diluted loss per share		(\$ 0.54)	(\$ 0.08)

The accompanying notes are an integral part of these consolidated financial statements

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									

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

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
(Loss) profit before tax		( \$ 7,258 )	\$ 1,819
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss (gain) determined in accordance with IFRS 9	12(2)	2,194	( 34 )
Loss on disposals of property, plant and equipment	6(20)	4,543	1,292
Depreciation	6(22)	135,522	111,965
Amortization	6(22)	1,757	1,656
Gain on financial assets at fair value through profit or loss	6(20)	( 434 )	( 1,484 )
Recognition of long-term deferred revenue	6(13)	( 2,843 )	( 2,788 )
Interest income	6(19)	( 5,872 )	( 10,209 )
Dividend income		-	( 2,165 )
Finance costs	6(21)	17,485	15,570
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		19,342	( 24,982 )
Accounts receivable		( 163,500 )	58,347
Accounts receivable due from related parties		( 275 )	1,023
Other receivables		4,493	( 1,067 )
Inventory		( 23,981 )	15,888
Prepayments		( 27,080 )	( 31,428 )
Changes in operating liabilities			
Contract liabilities		193	1,671
Accounts payable		36,369	( 40,232 )
Accounts payable to related parties		29	( 182 )
Other payables		40,180	( 49,119 )
Other payables to related parties		284	275
Other current liabilities		40	( 96 )
Cash inflow generated from operations		31,188	45,720
Receipt of interest		3,636	12,515
Payment of interest		( 16,828 )	( 13,230 )
Receipt of dividends		-	2,165
Payment of income tax		( 1,308 )	( 23,192 )
Net cash flows from operating activities		16,688	23,978

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in financial assets at amortised cost		\$ 4,046	\$ 238,908
Proceeds from disposals of financial assets at fair value through profit or loss		434	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	6(2) and 12(3)	-	( 45,000 )
Acquisition of property, plant and equipment	6(26)	( 229,516 )	( 307,012 )
Proceeds from disposals of property, plant and equipment		3,265	1,169
Acquisition of investment property		-	( 19,458 )
Acquisition of intangible assets		( 1,337 )	( 176 )
(Increase) decrease in guarantee deposits paid		( 2,062 )	48
Net cash flows used in investing activities		( 225,170 )	( 131,521 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(27)	591,243	769,826
Decrease in short-term loans	6(27)	( 637,441 )	( 705,479 )
Increase (decrease) in long-term borrowings	6(27)	205,224	( 3,959 )
Lease principal repayment	6(27)	( 13,215 )	( 13,495 )
Decrease in guarantee deposits received	6(27)	( 226 )	( 354 )
Redemption of convertible bonds	6(27)	-	( 301,300 )
Cash dividends paid	6(17)	-	( 89,100 )
Net cash flows from (used in) financing activities		145,585	( 343,861 )
Effects of exchange rate changes on cash		37,802	( 8,759 )
Net decrease in cash and cash equivalents		( 25,095 )	( 460,163 )
Cash and cash equivalents at beginning of year		336,504	796,667
Cash and cash equivalents at end of year		\$ 311,409	\$ 336,504

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



【Attachment 7】 2024 Profit and Loss Appropriation Table

Anli International Co., Ltd  
2024 Profit and Loss Appropriation Table

Item	(NTD) Amount
Unappropriated Earnings at beginning of period	745,757,482
Add: 2024 Net Profit After Tax	-24,051,812
Minus: Legal Reserves	-
Add: Reversal Special Reserves	119,415,397
Distributable net profit	841,121,067
Minus: cash dividend(Not distribute)	-
Unappropriated Retained Earnings at end of period	841,121,067

**【Attachment 8】 Comparison Table for the Memorandum and Articles of Association Before and After Revision**

**Comparison Table for the Articles of Incorporation Before and After Revision**

After Amendment	Before Amendment	The Reasons
<p><b>12.</b> The Company shall not issue any shares for which the subscription price has not been fully paid, nor shall it issue bearer shares.</p> <p><b>12A.</b> The shares of the Company shall not be converted into no par value shares.</p>	<p><b>12.</b> The Company shall not issue any shares for which the subscription price has not been fully paid, nor shall it issue bearer shares.</p> <p><b>12A.</b> <u>Newly Added</u></p>	<p>Added in compliance with legal amendments</p>

【Attachment 9】 List of Director (Including Independent Director) Candidates

Anli International Co., Ltd

List of Director (Including Independent Director) Candidates (Proposed by the Board)

Title	Name	Major (academic degree) experience	Major (academic degree) experience / Current duties in The Company and in other companies
Director	ANLI INTERNATIONAL LIMITED (SAMOA)  Representative:  Hsu Cheng-Kun	Industry Management, Oriental Academy of Industry.	QC Section Manager, Sheng Da Spring Co., Ltd.  The Chairman and President of the Company
Director	KUANGHE CO., LTD. (SAMOA )  Representative:  Wu Ching-Song	Mechanical Drawing, KaiNan Vocational High School	President, Kuanghe Development Co., Ltd.  Director and President, Kuanghe Electronic Technology (Kunshan) Co., Ltd.
Director	Lin Chih-Kun	Tai Shi  Junior High School	President, YongLun Industrial Co., Ltd.  Director and President, XinLi Precision Metal (Kunshan) Co., Ltd.
Director	Lo Li-Wen	(NTUST)  Master's Degree in Industrial Management	Certain Micro Application Technology Inc.  Chairman, MSH Technology Co., Inc.  Director, Doma Investment Holding Co., Ltd.
Independent Director	Chen Ming-Chang	(NCCU)  Doctor of Philosophy in Business Administration	Chairman, Taipei Institute of Management and Business Studies Foundation  Independent Director,  Shanyi Global Holdings Limited  Career Employment Information Co., Ltd.

Title	Name	Major (academic degree) experience	Major (academic degree) experience / Current duties in The Company and in other companies
Independent Director	Huang Kui-Jung	Master of Science in Materials Science and Engineering, Feng Chia University	High Entropy Materials Technology Co., Ltd. Jingwei Materials Technology Co., Ltd.
Independent Director	Hsieh Yin-Ling	Ph.D. in International Law, East China University of Political Science and Law	Lawyer / Partner, Haiwen Law Firm, Shanghai  Lawyer, Junlun Law Firm, Shanghai  Professor, Arbitration Law and Practice, Shanghai University of International Business and Economics  Lawyer / Partner, Humin Law Firm, Shanghai  Arbitrator, China International Economic and Trade Arbitration Commission (CIETAC)  Arbitrator, Shanghai International Economic and Trade Arbitration Commission (SHIAC)  Arbitrator, Shenzhen Court of International Arbitration (SCIA)  Arbitrator, South China (Hong Kong) International Arbitration Center, HKCICA  Professor, International Private Law, Tongji University
Independent Director	Tsai Yi-Fen	(NCCU)  Master's Degree in Accounting	Audit Supervisor, Deloitte Taiwan  International Tax Supervisor, Deloitte Taiwan  Special Assistant to the Director, Tongxiang International Co., Ltd.  Legal and Review Specialist, Taipei Exchange (TPEX)  Deputy Chairperson, Committee on Finance, Securities, and Mergers & Acquisitions, National Bar Association, R.O.C.

Title	Name	Major (academic degree) experience	Major (academic degree) experience / Current duties in The Company and in other companies
			<p>Attorney at Law, Dayin Law Firm</p> <p>Certified Public Accountant, Tsai Yi-Fen CPAs</p> <p>Member, Committee on Finance, Securities, and Mergers &amp; Acquisitions, National Bar Association, R.O.C.</p> <p>Independent Director, Zhong Yang Technology Co., Ltd.</p>

**【Attachment 10】** The list of Release the Prohibition on Directors from Participation in Competitive Business

Anli International Co., Ltd

The list of Release the Prohibition on Directors from Participation in Competitive Business

Directors: ANLI INTERNATIONAL LIMITED

The name of the company	Title
None	None

Director: ANLI INTERNATIONAL LIMITED Representative: Hsu Cheng-Kun

The name of the company	Title
ANLI INTERNATIONAL LIMITED(SAMOA)	Director
ANLI INTERNATIONAL HOLDINGS LIMITED(HK)	Director
KUANGHE CO., LIMITED(HK)	Director
ANLI SPRING CO., LTD.	Director
ANN-TAI SPRING CO., LTD.	Director
KUNSHAN ANLI PRECISE METAL CO., LTD	Director
Kunshan Kuanghe Electronic Technology Co., Ltd.	Director
Gtek Technology Co., Ltd. (Chongqing)	Director
Kunshan Guanghui Precision Metal.Co.,ltd	Director
Huzhou Anli Technology Co.,LTD.	Chairperson

Director: KUANGHE CO., LTD.

The name of the company	Title
None	None

Director: KUANGHE CO., LTD. Representative: Wu Ching-Song

The name of the company	Title
KUANGHE CO., LTD.(SAMOA)	Director
KUANGHE CO., LIMITED(HK)	Director 、 President
Kunshan Kuanghe Electronic Technology Co., Ltd.	Director 、 President
Huzhou Anli Technology Co.,LTD.	Director 、 President

Director: Lin Chih-Kun

The name of the company	Title
ANLI INTERNATIONAL LIMITED(SAMOA)	Director
ANLI INTERNATIONAL HOLDINGS LIMITED(HK)	Director 、 President
KUNSHAN ANLI PRECISE METAL CO., LTD	Director 、 President
Huzhou Anli Technology Co.,LTD.	Director

Director: Lo Li-Wen

The name of the company	Title
Chairman, MSH Technology Co., Inc.	Chairperson
Doma Investment Holding Co., Ltd.	Director
Certain Micro Application Technology Inc.	President

Independent Director: Chen Ming-Chang

The name of the company	Title
Taipei Institute of Management and Business Studies Foundation	Chairperson
Shanyi Global Holdings Limited	Independent Director
Career Employment Information Co., Ltd.	Independent Director

Independent Director: Huang Kui-Jung

The name of the company	Title
High Entropy Materials Technology Co., Ltd.	Business Manager
Jingwei Materials Technology Co., Ltd.	President

Independent Director: Hsieh Yin-Ling

The name of the company	Title
Shanghai Huming Law Firm	Lawyer/Partner

Independent Director: Tsai Yi-Fen

The name of the company	Title
Tsai Yi-Fen CPA Firm	Certified Public Accountant (CPA)
Zhong Yang Technology Co., Ltd.	Independent Director



## IV 、 Appendix

### **【Appendix 1】 Corporate Sustainability Best Practice Principles (Pre-Amendment.Version)**

#### **Anli International Co., Ltd**

#### **Corporate Sustainability Best Practice Principles**

Approved by the Shareholders' Meeting on May 26, 2022  
Edition : 03

- Article 1      In order to fulfill corporate social responsibility and to promote economic, environmental, and social progress in pursuit of sustainable development, the Company hereby adopts these Corporate Social Responsibility Principles (the “Principles”) with reference to the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2      To effectively implement corporate social responsibility, the Company shall be guided by the following principles:
1.    Exercising sound corporate governance.
  2.    Fostering environmental sustainability.
  3.    Safeguarding public welfare.
  4.    Enhancing the transparency and disclosure of corporate social responsibility information.
- Article 3      These Principles shall apply to the Company and the entire scope of operations of its affiliated enterprises and corporate group.  
While engaging in business activities, the Company shall actively fulfill its corporate social responsibilities in line with international development trends, contribute to national economic development, improve the well-being of employees, communities, and society, and establish a competitive advantage rooted in its commitment to corporate social responsibility.
- Article 4      In promoting corporate social responsibility, the Company shall uphold ethical standards and respect the rights and interests of stakeholders. While pursuing sustainable operations and profitability, the Company shall incorporate environmental, social, and corporate governance (ESG) factors into its management and operations. The Company shall conduct risk assessments of ESG issues related to its business operations based on the principle of materiality and shall formulate appropriate risk management policies or strategies.
- Article 5      The Company shall comply with applicable laws, regulations, its Articles of Incorporation, as well as agreements and regulations established with the Taiwan Stock Exchange or Taipei Exchange. The Company shall consider both domestic and international sustainability trends, its own operations, and those of its affiliated enterprises in formulating sustainability policies, systems, management guidelines, and specific implementation plans. Such plans shall be approved by the Board of Directors and reported to the Shareholders' Meeting

- Article 6      The Board of Directors shall exercise the duty of care of a good administrator to oversee the implementation of corporate sustainability, regularly review performance, and pursue continuous improvement to ensure the effective execution of sustainability policies.  
The Board shall fulfill corporate social responsibility through the following actions:
1. Incorporate sustainability into the Company's operations and strategic direction, and actions approve related implementation plans.
  2. Establish the Company's sustainability mission or vision, and develop related policies, systems, and management guidelines.
  3. Ensure the timeliness and accuracy of sustainability-related disclosures.
- Article 7      The Company is advised to regularly conduct sustainability training programs, including the communication of the matters specified in the second paragraph of the preceding Article.
- Article 8      To strengthen the management of corporate sustainability, the Company is advised to establish a governance framework and designate a dedicated or concurrent unit responsible for proposing and implementing sustainability policies or systems, with regular reporting to the Board of Directors.
- Article 9      The Company shall respect stakeholder rights and identify key stakeholders. Through appropriate communication channels and stakeholder engagement, the Company shall understand their reasonable expectations and needs, and respond to material sustainability issues raised by stakeholders.
- Article 10     The Company is advised to follow the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” to establish an effective corporate governance structure and ethical standards.
- Article 11     In conducting its business operations, the Company shall comply with relevant laws and implement the following practices to foster a fair competitive environment:
1. Avoid engaging in unfair competition practices
  2. Fulfill tax obligations accurately and promptly
  3. Prevent bribery and corruption by establishing proper management systems
  4. Ensure corporate donations follow internal procedures.
- Article 12     The Company is advised to regularly conduct ethical conduct training and promotion for directors and employees regarding the matters in the preceding Article. Such efforts should be integrated into the performance appraisal system with corresponding reward and disciplinary measures.
- Article 13     The Company shall comply with environmental protection laws and relevant international standards to safeguard the natural environment. In conducting its business operations, the Company shall strive toward the goal of environmental sustainability.

- Article 14 The Company is encouraged to enhance energy efficiency and use environmentally friendly renewable materials to ensure the sustainable use of Earth's resources.
- Article 15 The Company is advised to establish a suitable environmental management system based on industry characteristics, including the following elements:
1. Collection and timely assessment of information regarding environmental impacts from operations.
  2. Establishment of measurable targets with regular reviews of their relevance and continuity.
  3. Periodic evaluation of the progress toward environmental sustainability goals.
- Article 16 The Company is advised to designate dedicated personnel or units responsible for maintaining environmental management systems and regularly conduct environmental education and training for management and employees.
- Article 17 The Company shall consider the ecological impact of its operations and promote sustainable consumption among consumers. Research, development, production, and service activities shall be conducted in accordance with the following principles to minimize environmental impact:
1. Reduce resource and energy consumption of products and services
  2. Minimize the emission of pollutants, toxic substances, and waste, and ensure proper waste management
  3. Enhance recyclability and reusability of materials and products
  4. Maximize the sustainable use of renewable resources
  5. Extend product durability
  6. Improve the efficiency of products and services.
- Article 18 To improve water resource efficiency, the Company shall implement proper and sustainable water resource management measures. Pollution of water, air, and soil shall be avoided during operations. Where unavoidable, the Company shall endeavor to minimize harm to human health and the environment by adopting the best available pollution prevention and control technologies, considering cost-effectiveness, technical feasibility, and financial capacity.
- Article 19 The Company shall assess the impact of climate change on its operations. Based on operational conditions and greenhouse gas inventory results, the Company shall formulate energy conservation and carbon reduction strategies. Carbon credit acquisition shall be incorporated into its carbon reduction planning to reduce environmental impact.
- Article 20 The Company shall comply with labor laws and protect the lawful rights of employees. It shall respect internationally recognized fundamental labor rights and refrain from engaging in practices that violate workers' fundamental rights. The Company's human resources policies shall uphold labor rights and establish appropriate management systems and procedures.
- Article 21 The Company shall provide employees with information regarding their legal labor rights in accordance with the laws of the country in which the Company operates.

- Article 22      The Company shall provide a safe and healthy working environment, including necessary medical and first-aid facilities, and shall endeavor to minimize health and safety risks to prevent occupational hazards. Regular safety and health training shall be provided to employees.
- Article 23      The Company shall foster a favorable environment for employee career development by establishing effective training programs. The Company shall formulate and implement fair employee benefits, including remuneration, leave, and other welfare policies. Business performance and results shall be appropriately reflected in employee compensation to ensure talent recruitment, retention, and motivation in support of sustainable operations.
- Article 24      The Company shall establish regular communication mechanisms to enable employees to access information and express opinions regarding the Company's management and operational decisions.
- Article 25      The Company shall assess the environmental and social impact of its procurement activities on supplier communities and collaborate with suppliers to promote corporate sustainability. Supplier management policies shall be established requiring compliance with environmental, occupational safety and health, and labor rights standards. Prior to engaging in business with suppliers, the Company shall evaluate whether suppliers have records of environmental or social violations. Contracts with major suppliers shall include clauses requiring adherence to both parties' sustainability policies and allowing termination of the agreement in the event of material violations impacting the supplier's community.
- Article 26      The Company shall assess and manage the impact of its operations on local communities by employing suitable personnel to enhance community engagement. The Company may contribute to community development through commercial activities, in-kind donations, corporate volunteerism, or the provision of professional services free of charge in cooperation with civic organizations, charitable groups, or local government agencies.
- Article 27      In accordance with relevant laws and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the Company shall disclose material and reliable corporate sustainability information to enhance transparency. Such disclosures shall include:
1. Governance structure, strategy, policy, and management guidelines approved by the Board of Directors.
  2. Risks and impacts of governance, environmental, and social issues on operations and financial performance.
  3. Goals, measures, and performance outcomes related to sustainability initiatives.
  4. Key stakeholders and their issues of concern.
  5. Disclosure of supplier management and performance related to material ESG topics.
  6. Other relevant sustainability information.

- Article 28      The Company is advised to prepare a corporate sustainability report to disclose its implementation of sustainability initiatives. The report should include:
1.   Organizational structure, policies, and action plans for sustainability implementation.
  2.   Key stakeholders and their issues of concern.
  3.   Implementation performance and reviews related to governance, environment, and social contributions.
  4.   Future improvement directions and targets.
- Article 29      The Company shall stay informed of domestic and international developments in sustainability practices and adapt to changes in the business environment. The Company shall periodically review and improve its sustainability systems to enhance the effectiveness of its initiatives.
- Article 30      These Principles shall take effect upon approval by the Board of Directors and shall be reported to the Shareholders' Meeting. Any amendments shall follow the same procedure.

【Appendix 2】 The Company's Memorandum and Articles of Association.

**THE COMPANIES LAW (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 May 31, 2024)

**THE COMPANIES LAW**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**Anli International Co., Ltd**

(Adopted by Special Resolution passed on May 31,2024)

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 Act of the Cayman Islands (Revised) (the "Law").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is NT\$ 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 ACT (REVISED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**OF**

**Anli International Co., Ltd**

(Adopted by Special Resolution passed on May 31, 2024)

**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 Act of the Cayman Islands (Revised) 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 or voted against 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. Shares which have been abstained from voting in accordance with this Article shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.

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

Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's Shares, within thirty (30) days after such sixty (60)-day period, the Company shall file a petition 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 physical general meetings shall be held in Taiwan, if a physical general meeting is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 46, the relevant Shareholders, shall apply for the approval of the Taipei Exchange or the TSE.

The general meeting may be held by means of video conference or in a manner consistent with the Applicable Listing Rules or other methods announced by Taiwan authorities in charge of the Company Act of Taiwan in relation to the general meeting of a company incorporated thereunder (to be applied mutatis mutandis). So long as the shares are traded on the Emerging Market or listed on the Taipei Exchange or TSE in Taiwan, the conditions, operating procedures and other matters of the general meeting held by means of video conference shall be in compliance with the Applicable Listing Rules.

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

46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding 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. If the Company's total paid-in capital exceeds NT\$2 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than thirty per cent (30%) of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days prior to an annual 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 shall be exercised in writing and 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 in writing and by way of electronic transmission as one of the voting methods at the general meeting.
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. The Company shall itemize the essential contents of a Director's personal interest and the cause of approval of or dissent to the resolution of merger/consolidation or acquisition in the notice to convene a meeting of shareholders; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and the address of such website shall be indicated in the above notice.

In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidary 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) annual financial reports signed or sealed by the chairman, a manager or an accounting chief, and financial reports for the second quarter audited and attested by a certified public accountant; 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 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 the Audit Committee to resolve that any Independent Director or Independent Directors, acting singly or collectively on behalf of the Company, file an action against any Director or Directors for the Company with a competent court having proper jurisdiction, including the Taiwan Taipei District Court, if applicable.

Should the Independent Director(s) as resolved by the Audit Committee to act singly or collectively on behalf of the Company at the request of such Shareholder(s) under the preceding paragraph fails or refuses to file such action within thirty (30) days after receipt of such request from such Shareholder(s), except as otherwise provided by Cayman Islands law, such Shareholder(s) may file such action for the Company with a competent court having proper jurisdiction, including the Taiwan Taipei District Court, if applicable.

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 3】 Shareholdings of All Directors

1. Total shares issued as of March 28, 2025:44,549,781 common shares
2. As of the date for suspending the share transfer for this shareholders meeting, March 28, 2025, 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)	May 26, 2022	12,578,589	28.23%
Representative of ANLI INTERNATIONAL LIMITED (SAMOA)	Hsu Cheng-Kun		494,000	1.11%
Director	KUANGHE CO., LTD.(SAMOA )	May 26, 2022	3,962,979	8.90%
Representative of KUANGHE CO., LTD.(SAMOA )	Wu Ching-Song		-	-
Director	Lin Chih-Kun	May 26, 2022	-	-
Director	Lo Li-Wen	May 26, 2022	-	-
Independent Director	Chen Li-Yuan	May 26, 2022	-	-
Independent Director	Huang Kui-Jung	May 26, 2022	-	-
Independent Director	Huang Kuo-Fen	May 26, 2022		
Total			17,035,568	38.24%