

# Zhen Ding Technology Holding Limited

## 2024 Annual Shareholders' Meeting

### Meeting Handbook

**Date and Time: 9:00 a.m., May 30, 2024**

**Veneue: No.6, Lane 28, Sanho Road, Sanshi Village, Dayuan District, Taoyuan City (First floor conference room of the Company)**

**Convention Method: Hybrid Shareholders' Meetings**

**Video conferencing platform: Stock Services Platform of Taiwan Depository & Clearing Corporation**

**<https://stockservices.tdcc.com.tw/evote/index.html>**

# TABLE OF CONTENTS

<b>I.</b>	<b>MEETING PROCEDURE</b> .....	<b>1</b>
<b>II.</b>	<b>MEETING AGENDA</b> .....	<b>2</b>
<b>III.</b>	<b>REPORT ITEMS</b> .....	<b>3</b>
<b>IV.</b>	<b>RATIFICATION ITEMS</b> .....	<b>7</b>
<b>V.</b>	<b>DISCUSSION ITEMS</b> .....	<b>8</b>
<b>VI.</b>	<b>EXTRAORDINARY MOTIONS</b> .....	<b>9</b>
<b>VII.</b>	<b>ATTACHMENT</b> .....	<b>10</b>
	1. The Company's 2023 Business Report .....	10
	2. 2023 Audit Committee's Review Report .....	13
	3. 2023 CPA Audit Report and Consolidated Financial Statements .....	14
	4. Earning Distribution for 2023.....	27
	5. Comparison Table Before and After Amendment of the “Rules Governing the Election of Directors” .....	28
<b>VIII.</b>	<b>APPENDIX</b> .....	<b>34</b>
	1. Shareholding Status of All Directors .....	34
	2. Articles of Association.....	35
	3. Rules and Procedures of Shareholders' Meeting .....	78

# **Zhen Ding Technology Holding Limited**

## **2024 Annual Shareholders' Meeting Procedure**

**I. Meeting Commencement**

**II. Chairman's Address**

**III. Report Items**

**IV. Ratification Items**

**V. Discussion Items**

**VI. Extraordinary Motions**

**VII. Adjournment**

# **Zhen Ding Technology Holding Limited**

## **2024 Annual Shareholders' Meeting Agenda**

**Date and Time: 9:00 a.m., May 30, 2024**

**Veneue: No.6, Lane 28, Sanho Road, Sanshi Village, Dayuan District, Taoyuan City (First floor conference room of the Company)**

- I. Call the Meeting to Order (Declare the total number of shares of attendance)
- II. Chairman's Address
- III. Report Items
  - (1) The Company's 2023 Business Report
  - (2) 2023 Audit Committee's Review Report
  - (3) Distribution of Employees' Profit Sharing and Directors' Remuneration for 2023
  - (4) Distribution of Cash Dividends for 2023
  - (5) Issuance and Execution of Overseas Unsecured Convertible Bonds
  - (6) Proposals submitted by shareholders with shareholding of more than 1%
- IV. Ratification Items
  - (1) Ratification of 2023 Business Report and Consolidated Financial Statements
  - (2) Ratification of the 2023 earnings distribution
- V. Discussion Items
  - (1) Proposal for amendments to the Company's "Rules Governing the Election of Directors"
  - (2) Proposal for the release of the non-competition restriction for directors
- VI. Extraordinary Motions
- VII. Adjournment

# Report Items

**Report 1:** **2023 Business Reports.**

**Explanatory Notes:** For the 2023 Business Report, please refer to pages 10 to 12 of Attachment 1 of this Handbook.

**Report 2:** **2023 Audit Committee's Review Report is submitted.**

**Explanatory Notes:** For the 2023 Audit Committee's Review Report, please refer to page 13 of Attachment 2 of this Handbook.

**Report 3:** **The distribution of employees' profit sharing and directors' remuneration for 2023.**

**Explanatory Notes:** The Company's profit (net profit before tax and the remuneration to employees and directors) was NT\$6,938,289,696 for 2023, among which:

1. Employees' profit sharing: Surplus profits of 2% in the amount of NT\$138,765,794 was distributed in cash to employees including employees of subsidiaries who meet certain criteria.
2. Directors' remuneration: according to the Articles of Association, directors' remuneration shall not exceed 0.5% of profits. The total amount of NT\$34,684,510 has been allocated.
3. The proposal has been discussed and approved by the Compensation Committee and the Board of Directors on March 12, 2024.

**Report 4:** **Distribution of cash dividends for 2023.**

**Explanatory Notes:**

1. According to Article 13.4 of the Articles of Association, the Board of Directors is authorized to distribute cash dividends and report to shareholders at the shareholders' meeting.
2. Based on the 947,049,161 outstanding ordinary shares issued as of December 31, 2023, the cash dividend per share proposed for distribution is NT\$3.275 (rounded down to the nearest NT\$ 1), totaling NT\$3,101,586,002.
3. The Chairperson is authorized to determine ex-dividend date, distribution date, and other relevant matters. If

changes to shareholders' dividends arise due to changes in the number of outstanding shares, the Chairperson is also authorized to handle relevant matters.

**Report 5: The Issuance and Execution of Overseas Unsecured Convertible Bonds Report is submitted.**

- Explanatory Notes:**
1. The Company's third foreign non-guaranteed convertible corporate bonds were issued on June 30, 2020, with a total issuance amount of USD 400,000,000. The Company's corporate bonds were redeemed in the amount of USD 386,400,000 at the request of bondholders on June 30, 2023, and USD 13,600,000 was redeemed by the Company ahead of schedule on August 15, 2023, resulting in a remaining outstanding balance of zero.
  2. The Company's fourth foreign non-guaranteed convertible corporate bonds were issued on January 24, 2024. There has been no conversion of ordinary shares by bondholders to date.

Type of corporate bond	Fourth foreign non-guaranteed convertible corporate bond
Date of issue (handling)	January 24, 2024
Denomination	The face value of each bond is USD200,000 or its integer multiples in the event of more than USD200,000.
Issuance and trading location	Singapore Exchange Limited
Issued Price	Issued at 100% of the denomination
Total value	USD400,000,000
Rate	0%
Term	5 years Maturity date: January 24, 2029
Guarantee agency	N/A
Trustee	Citicorp International Limited
Underwriting agency	Lead domestic underwriter: Grand Fortune Securities Co., Ltd. Lead foreign underwriter: UBS AG Hong Kong Branch and Citigroup Global Markets Limited
Certifying lawyer	Lee and Li Attorneys at Law
Certifying CPA	PricewaterhouseCoopers Taiwan Sheng-Chung Hsu, CPA and Jie-Ru Hsu, CPA

Repayment method	Conversion into ordinary shares according to Article 13 of the Conversion Method or exercise the call option according to Article 11 and exercise the early redemption option according to Article 12 of the Conversion Method	
Outstanding principal	USD400,000,000	
Terms for redemption or early settlement	<p>(I) Upon the third anniversary of issuance, if the closing price for 20 consecutive trading days of the issuing company's ordinary stock on the Taiwan Stock Exchange (for ex-rights or ex-dividends, the closing price will be used between the ex-rights or ex-dividend trading date to the ex-rights or ex-dividend base date, and the price before ex-rights or ex-dividends should be calculated first) is 125% of the early redemption price multiplied by the current conversion price then divided by USD100,000, the issuing company may redeem all or part of the Company's bonds at the early redemption price upon the issuance of the bond redemption notice within five days.</p> <p>(II) When more than 90% of the Company's bonds have been redeemed, repurchased and retired, or converted by the bondholders, the issuing company may redeem the bonds in full at the early redemption price; and</p> <p>(III) When the tax laws and regulations of the Republic of China, the British Cayman Islands or any other place where an issuing company is established or operates for tax purposes are changed, causing the tax burden, additional interest expenses, or cost of the issuing company to increase due to the Company's bonds after the issuance date. the issuing company may redeem the bonds in full at the early redemption price.</p> <p>(IV) When an event related to the Company's bonds occurs, the "early redemption price" is calculated by the issuing company based on the face value (calculated at USD100,000 per bond) of the Company's bonds plus an annual interest rate of 3.375% (calculated semi-annually) from the date of issuance to the event related to the Company's bonds occurred based on the actual number of days elapsed (calculated on the basis of 360 days per year and 30 days per month).</p>	
Restrictive Terms	The corporate bonds may not be directly offered, sold, or delivered in the Republic of China	
Credit rating agency name, rating date, company debt rating results	N/A	
With other rights	Converted amount of common shares as of the date of publication	None
	Issuance and Conversion Method	Issuance and Conversion Method of the Prospectus

Effects of the issuance and conversion, exchange, or subscription methods and issuance conditions on possible dilution of shares and equity of current shareholders	If all overseas unsecured convertible bonds issued this time are converted to ordinary shares at the price at issuance, the maximum dilution ratio for the original shareholders' equity will be approximately 10.82%.
Entrusted custodian of the exchange target	N/A

**Report 6:**                      **Proposals submitted by shareholders with shareholding of more than 1% is submitted.**

**Explanatory Notes:**      According to Article 22.6 of the Articles of Association, shareholders' proposals shall be proposed to the shareholders' meeting during the shareholders' proposals period. No shareholder's proposal is raised during the said period.

# **Ratification Items**

## **Proposal 1**

**Proposed by the Board of Directors**

### **Subject:**

**Ratification of 2023 Business Report and Consolidated Financial Statements.**

### **Explanatory Notes:**

1. The Company's Consolidated Financial Statements for 2023 were audited by independent auditors, CPA Hsu, Sheng-Chung and CPA Hsu, Chieh-Ju of the CPA firm, Pricewaterhouse Coopers (PwC) Taiwan.
2. For the 2023 business report, independent auditors' report and consolidated financial statements, please refer to Attachment 1 on pages 10 to 12 and Attachment 3 on pages 14 to 26 of this Handbook.
3. Please proceed to acknowledge.

### **Voting Results:**

## **Proposal 2**

**Proposed by the Board of Directors**

### **Subject:**

**Ratification of the 2023 earnings distribution.**

### **Explanatory Notes:**

1. The net profit after tax of the Company's parent company for 2023 was NT\$6,188,729,056 and the retained earnings available to distribute for the year was NT\$38,892,461,624.
2. For the 2023 Earnings Distribution Table, please refer to Attachment 4 on page 27 of this Handbook.
3. Please proceed to acknowledge.

### **Voting Results:**

# Discussion Items

## **Proposal 1**

**Proposed by the Board of Directors**

### **Subject:**

**Proposal for amendments to the Company's "Rules Governing the Election of Directors".**

### **Explanatory Notes:**

1. According to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" provided in the announcement issued by Taiwan Stock Exchange Corporation, the Company proposed to amend its "Rules Governing the Election of Directors".
2. For the comparison table before and after the amendment, please refer to Attachment 5 on pages 28 to 33 of this Handbook.
3. Please proceed to discuss.

### **Voting Results:**

## **Proposal 2**

**Proposed by the Board of Directors**

### **Subject:**

**Proposal for the release of the non-competition restriction for directors.**

### **Explanatory Notes:**

1. According to Article 46.4 of the Articles of Association, the Company's directors shall offer explanations for what they plan to do for themselves or others that are within the boundaries of the company's operations, and ask for approval at the shareholders' meeting.
2. To tap into the expertise and applicable experiences of the Company's directors, the release of the non-competition restriction for the above directors is proposed for approval at the Shareholders' Meeting:

Title	Name	Company Name and Title Held Concurrently
Independent Director	Jing-Ying Hu	Independent Director, ADATA Technology Co., Ltd.

3. Please proceed to discuss.

### **Voting Results:**

# **Extraordinary Motions**

## **Adjournment**

# Zhen Ding Technology Holding Limited

## Business Report

Thank all shareholders for your continuous support and trust in the company. In 2023, due to factors such as inflation and inventory adjustments, the company encountered unprecedented challenges. Reviewing the revenue performance of the past year, the annual revenue was NT\$151.398 billion, slightly lower than the previous year. However, compared to the overall industry situation, the performance still aligned with our previous expectations. In particular, the revenue performance in the fourth quarter was impressive. It not only achieved quarterly growth of 30.14%, but also returned to annual growth. This is mainly attributed to double-digit growth in areas such as mobile communication, automobiles, trucks, base stations, servers, and IC substrates. It is particularly worth mentioning that the revenue from IC substrates for Q4 increased by over 60% annually, indicating a clear trend of recovery in the BT substrate business. This brings us confidence and motivation, expecting a resurgence in consumer products this year. In addition, the effects of substrate layout, and long-term efforts in promoting servers and trucks, will bring new growth opportunities for the company.

The Company's 2023 business overview and future outlook.

### I. Revenue Overview

In 2023, our consolidated revenue was NT\$151.398 billion and our consolidated net profit after tax was NT\$9.432 billion (the consolidated net profit after tax attributable to the parent company was NT\$6.189 billion). The earnings per share of the consolidated net profit after tax was NT\$9.98 (the earnings per share of the consolidated net profit after tax attributable to the parent company was NT\$6.55).

### II. Global Orientation and Sustainable Development

Over the past year, despite facing numerous challenges, we have also encountered many opportunities. Affected by the geopolitical and industrial environment, we are still actively reserving production capacity and continue to promote various measures in smart manufacturing, environmental protection, production quality, talent training, corporate responsibility and social value. Although impacted by the economic downturn, we continue to uphold our position as the world's No. 1 company by consistently enhancing product performance and service quality. In terms of new factory construction, the new plant in Kaohsiung has been installed machinery and is expected to commence production this year. Notably, the flexible printed circuit factory we established in Kaohsiung is one of the most advanced production bases in the industry, equipped with the latest production technology and facilities, capable of meeting customers' new product development needs. The commencement of production at the Kaohsiung plant will enhance our competitive advantage in the market and improve the production quality and efficiency of our products. Construction has also begun on our new factory in Thailand, with an initial investment of US\$250 million planned for the first phase. It is scheduled to commence trial production in the first half of 2025. In addition, the company has also acquired the land for its Taiwan operations center in front of the Taoyuan HSR Station. Currently in the planning and design phase, this center will serve as a cradle for

talent cultivation and a base for industry chain collaboration, providing the advantage of convenient transportation for business meetings of customers and partners, as well as office work for employees. This initiative is also aimed at attracting more talent to join the company's team.

As a sustainability-focused enterprise, Zhen Ding has always been committed to advancing environmental, social, and corporate governance (ESG) principles comprehensively. We prioritize corporate culture and social responsibility, integrating environmental protection into every aspect of our operations. Our goal is to minimize our negative impact on the environment while actively participating in industry-academic cooperation and social welfare activities, as well as engaging with all stakeholders. The company not only cooperates with well-known academic institutions and universities to establish the Zhen-Ding & NTHU Joint Research Center and the ZDT Group - Yuan Ze University Joint Research and Development Center for Big Data, but also founded the Zhen Ding Education Foundation, with plans to allocate 1% of its profits to help students realize their dreams.

### III. One ZDT Strategy and Talent Cultivation

The One ZDT strategy, initiated in 2015, originated from Zhen Ding's flexible printed circuits, and then extended to the high density interconnectors (HDI) and substrate fields. It sets annual growth targets focusing on sales strategy, quality, technology, flexibility, and development strategy. Through the One ZDT strategy, we are committed to expanding market share in areas such as vehicles, servers and base stations. In 2023, revenue from these products showed a counter-trend growth, demonstrating the effectiveness of the strategy. In the future, we will continue to develop a diversified product portfolio, gradually increase our market share in the PCB industry, and ensure the company's sustained growth.

In the increasingly competitive global environment, we are deeply aware that only through continuous innovation and transformation can we ensure the sustainable development of our company. Hence, we have actively invested in the field of smart manufacturing, introduced advanced production technologies and processes, and continuously improved production efficiency. Smart manufacturing is one of the key strategies for the company's transformation. Additionally, we actively invest in research and development, adopting advanced manufacturing technologies and data analysis to achieve automation and intelligence in production processes. This not only enhances production efficiency but also enables us to more flexibly meet customer demands, propelling the company's transformation into a more competitive enterprise. Under the One ZDT strategic framework, the manufacturing strategy of “producing wherever the customers are” has also become one of our business models. During the production capacity ramp-up stage, we invite supplier partners to remain at the factory to focus on production. Through close collaboration with strategic suppliers, we establish an operational team and strategic partnerships with a shared vision. In the future, Zhen Ding will continue its proactive growth pace, develop four major product lines simultaneously under the One ZDT strategy, comprehensively deploy in the rapidly growing application market, continue to consolidate its leading position in the PCB industry, and obtain greater benefits.

During this year, we particularly emphasize talent cultivation and development. We believe that talent is the most valuable asset of an enterprise, and only with an excellent pipeline of talents can we ensure the sustainable development and competitiveness of our global business. Consequently, even in the face of a recession, the company is still actively providing training opportunities and development channels. The total number of employee training hours throughout the year has exceeded 3.3 million hours, allowing employees to continuously improve their professional and management competencies.

#### IV. Future prospects

Under the perspective of long-term development, Zhen Ding deploys itself across both sides of the Taiwan Strait and focuses on the global market, not letting short-term economic fluctuations be a concern. Looking to the future, we are confident in our development in 2024. Although the recovery momentum of consumer demand and the geopolitical situation remain to be observed, we believe that as customer inventories gradually return to healthy levels, the company will achieve moderate growth and overall revenue and profits will increase. Looking ahead to 2024, it promises to be a year worth anticipating.

We would like to express our gratitude to all shareholders for your support and trust in the company. With your support throughout our journey, we have been able to overcome difficulties and achieve success today. In the days ahead, we will continue to work diligently, adhere to the pace of stable operations, actively respond to changes in market conditions, maintain competitive advantages, and create greater value for shareholders.

Chairman:  
Chang-Fang Shen

General Manager:  
Chang-Fang Shen

Head of Accounting:  
Yuan-Shen Wang

# **Zhen Ding Technology Holding Limited**

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

The Board of Directors has prepared and submitted the 2023 business report, consolidated financial statements, and earnings distribution proposal, of which the consolidated financial statements have been audited by the CPAs Sheng-Chung Hsu and Chieh-Ju, Hsu of PricewaterhouseCoopers, Taiwan and an Audit Report is submitted. The Audit Committee has reviewed the business report, consolidated financial statements, and the earnings distribution proposal and did not find any incompliance. According to the regulations in the Articles of Association, it is hereby submitted for your examination.

To:

2024 Shareholders' Annual General Meeting

**Zhen Ding Technology Holding Limited**

**Audit Committee convener: Chen-Fu Chien**

**March 12, 2024**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited

### **Opinion**

We have audited the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 in 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 2023 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 on the Group's 2023 consolidated financial statements were as follows:

### **Cut-off of hub warehouse sales revenue**

#### Description

Refer to Note 4(29) for accounting policies on revenue recognition.

The Group recognises revenue when the goods are directly shipped from factories and when customers accept the goods (the transfer of control) if picked up from hub warehouses. For pick-ups from hub warehouses, the Group recognises sales revenue based on movements of inventory records contained in the statements or other information provided by the warehouse custodians. The hub warehouses are located around the world with numerous warehouse custodians, the frequency and contents of statements provided by custodians are different, and the process of revenue recognition may involve manual procedures. These factors may potentially result in inaccurate timing of sales revenue recognition.

As there are numerous daily sales transactions from hub warehouses and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, we considered the cut-off of hub warehouse sales revenue a key audit matter.

### How our audit addressed the matter

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

- A. Assessed and tested internal controls over regular record verification between the Group and customers.
- B. Assessed and checked the appropriateness of cut-off of sales revenue prior to or after the balance sheet date, and verified the statements provided by the hub warehouse custodians.
- C. Performed confirmation of the storage quantities or observed physical counts in warehouse, compared against inventory records, and determined whether differences, if any, are properly adjusted.

### **Estimation of allowance for inventory valuation losses**

#### Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(6) for details of inventory. As of December 31, 2023, the Group's inventory cost and allowance for valuation losses were NT\$16,819,470 thousand and NT\$1,311,921 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of printed circuit board. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due to market value decline or obsolescence. The Group measures inventories at the lower of cost and net realisable value and recognises the allowance for inventory valuation losses based on the inventories over normal age and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories are numerous, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to significant judgement, we considered the estimation of allowance for inventory valuation losses a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in relation to the estimation of allowance for inventory valuation losses:

- A. Assessed the reasonableness of accounting policy on allowance for inventory valuation losses and checked whether it has been consistently applied.
- B. Checked whether the logic in calculating inventory aging report was appropriate and confirmed whether the inventory over normal age has been included in the aging report.
- C. Assessed the reasonableness of individually obsolete or damaged inventory identified by the Group against related supporting documents, reviewed scrap inventory before and after the balance sheet date, and verified the information obtained from physical count.
- D. For the net realisable value of inventories over normal age and those individually identified as obsolete and damaged inventory, discussed with the Group, obtained supporting documents and reviewed calculation of inventory loss.

### **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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. 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.
- E. 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.
- F. 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

---

Hsu, Sheng-Chung

---

Chieh-Ju, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

---

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.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 61,420,770	25	\$ 55,243,562	24
1136	Current financial assets at amortised cost	6(3)	4,549,269	2	1,907,751	1
1170	Accounts receivable, net	6(4)	25,803,347	11	26,932,980	11
1180	Accounts receivable due from related parties, net	6(4) and 7	3,425,531	2	3,071,665	1
1200	Other receivables	6(5)	274,414	-	523,996	-
130X	Inventories	6(6)	15,507,549	6	17,724,844	8
1410	Prepayments	6(5)	3,048,205	1	4,883,541	2
1470	Other current assets	8	16,588	-	4,640	-
11XX	<b>Total current assets</b>		<u>114,045,673</u>	<u>47</u>	<u>110,292,979</u>	<u>47</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,752,487	1	1,640,432	1
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	1,714,386	1	753,272	-
1535	Non-current financial assets at amortised cost	6(3)	-	-	448,023	-
1550	Investments accounted for using equity method		20,767	-	32,978	-
1600	Property, plant and equipment	6(8)	105,713,497	43	100,307,311	43
1755	Right-of-use assets	6(9)	9,061,140	4	8,327,697	4
1760	Investment property, net	6(10)	4,251,347	2	4,506,853	2
1780	Intangible assets	6(11)	2,313,206	1	2,138,586	1
1840	Deferred income tax assets	6(30)	2,827,971	1	2,576,898	1
1990	Other non-current assets	6(12) and 8	1,075,191	-	1,535,083	1
15XX	<b>Total non-current assets</b>		<u>128,729,992</u>	<u>53</u>	<u>122,267,133</u>	<u>53</u>
1XXX	<b>Total assets</b>		<u>\$ 242,775,665</u>	<u>100</u>	<u>\$ 232,560,112</u>	<u>100</u>

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(13)	\$ 33,853,082	14	\$ 16,819,556	7
2170	Accounts payable		18,504,901	8	15,964,613	7
2180	Accounts payable to related parties	7	1,062,035	-	936,026	-
2200	Other payables	6(14)	18,286,472	8	20,181,766	9
2230	Current income tax liabilities		986,692	-	1,635,243	1
2280	Current lease liabilities		221,325	-	86,860	-
2320	Long-term liabilities, current portion	6(15)(16)	1,250,317	1	15,572,856	7
2399	Other current liabilities		4,774,518	2	3,029,985	1
21XX	<b>Total current liabilities</b>		<u>78,939,342</u>	<u>33</u>	<u>74,226,905</u>	<u>32</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(16)	18,026,287	8	12,966,168	6
2570	Deferred income tax liabilities	6(30)	3,030,821	1	3,647,057	1
2580	Non-current lease liabilities		992,331	-	336,799	-
2600	Other non-current liabilities		7,461,036	3	8,517,492	4
25XX	<b>Total non-current liabilities</b>		<u>29,510,475</u>	<u>12</u>	<u>25,467,516</u>	<u>11</u>
2XXX	<b>Total liabilities</b>		<u>108,449,817</u>	<u>45</u>	<u>99,694,421</u>	<u>43</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
	Share capital	6(19)				
3110	Ordinary share		9,470,492	4	9,470,492	4
	Capital surplus	6(20)				
3200	Capital surplus		38,555,914	16	38,021,187	16
	Retained earnings	6(21)				
3310	Legal reserve		8,417,315	3	6,995,473	3
3320	Special reserve		2,882,437	1	4,848,301	2
3350	Unappropriated retained earnings		41,749,184	17	40,698,111	18
	Other equity interest	6(22)				
3400	Other equity interest		( 5,120,220)	( 2)	( 2,882,437)	( 1)
3500	Treasury shares	6(19)	( 257,489)	-	( 257,489)	-
31XX	<b>Equity attributable to owners of parent</b>		<u>95,697,633</u>	<u>39</u>	<u>96,893,638</u>	<u>42</u>
36XX	Non-controlling interest	6(32)	38,628,215	16	35,972,053	15
3XXX	<b>Total equity</b>		<u>134,325,848</u>	<u>55</u>	<u>132,865,691</u>	<u>57</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 242,775,665</u>	<u>100</u>	<u>\$ 232,560,112</u>	<u>100</u>

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23), 7 and 14	\$ 151,398,038	100	\$ 171,356,495	100
5000	Operating costs	6(6) and 7	( 123,938,549)	( 82)	( 131,468,413)	( 77)
5950	Gross profit from operations		27,459,489	18	39,888,082	23
	Operating expenses	6(24)				
6100	Selling expenses		( 1,899,653)	( 1)	( 1,959,988)	( 1)
6200	Administrative expenses		( 6,724,668)	( 5)	( 7,197,223)	( 4)
6300	Research and development expenses		( 9,665,484)	( 6)	( 8,279,766)	( 5)
6450	Expected credit loss in accordance with IFRS 9	12	( 10,000)	-	( 4,344)	-
6000	Total operating expenses		( 18,299,805)	( 12)	( 17,441,321)	( 10)
6900	Net operating income		9,159,684	6	22,446,761	13
	Non-operating income and expenses					
7100	Interest income	6(26)	2,500,594	2	767,556	1
7010	Other income	6(27)	759,948	-	773,019	-
7020	Other gains and losses	6(28)	( 403,710)	-	374,110	-
7050	Finance costs	6(29)	( 1,952,504)	( 1)	( 901,834)	-
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method		( 16,094)	-	8,892	-
7000	Total non-operating income and expenses		888,234	1	1,021,743	1
7900	<b>Profit before income tax</b>		10,047,918	7	23,468,504	14
7950	Income tax expense	6(30)	( 616,065)	( 1)	( 2,933,192)	( 2)
8200	<b>Profit</b>		\$ 9,431,853	6	\$ 20,535,312	12
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Actuarial gains on defined benefit plans	6(17)	\$ 771	-	\$ 26,729	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)	787,894	-	( 22,804)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	( 139,739)	-	( 3,278)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		648,926	-	647	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements	6(22)	( 1,901,942)	( 1)	2,584,339	1
8300	<b>Other comprehensive (loss) income</b>		( \$ 1,253,016)	( 1)	\$ 2,584,986	1
8500	<b>Total comprehensive income</b>		\$ 8,178,837	5	\$ 23,120,298	13
	Profit attributable to:					
8610	Owners of the parent		\$ 6,188,729	4	\$ 14,197,040	8
8620	Non-controlling interests		3,243,124	2	6,338,272	4
			\$ 9,431,853	6	\$ 20,535,312	12
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 3,951,563	2	\$ 16,184,287	9
8720	Non-controlling interests		4,227,274	3	6,936,011	4
			\$ 8,178,837	5	\$ 23,120,298	13
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(31)	\$ 6.55		\$ 15.02	
9850	Diluted earnings per share	6(31)	\$ 6.34		\$ 13.92	

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Retained Earnings					Other Equity Interest					
		Ordinary shares	Capital surplus- additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
<b>Year ended December 31, 2022</b>												
Balance at January 1, 2022		\$ 9,470,492	\$ 36,937,742	\$ 6,029,763	\$ 4,130,316	\$ 32,898,629	(\$ 4,886,372 )	\$ 38,071	(\$ 257,489 )	\$ 84,361,152	\$ 29,158,787	\$ 113,519,939
Profit for the year		-	-	-	-	14,197,040	-	-	-	14,197,040	6,338,272	20,535,312
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	21,383	1,986,380	( 20,516 )	-	1,987,247	597,739	2,584,986
Total comprehensive income (loss)		-	-	-	-	14,218,423	1,986,380	( 20,516 )	-	16,184,287	6,936,011	23,120,298
Appropriations of 2021 earnings:	6(21)											
Legal reserve		-	-	965,710	-	( 965,710 )	-	-	-	-	-	-
Special reserve		-	-	-	717,985	( 717,985 )	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 4,735,246 )	-	-	( 4,735,246 )	-	-	( 4,735,246 )
Compensation cost of employee restricted stock	6(20)	-	174,675	-	-	-	-	-	-	174,675	57,115	231,790
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(20)	-	10,467	-	-	-	-	-	-	10,467	-	10,467
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	755,262	-	-	-	-	-	-	755,262	547,116	1,302,378
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	143,041	-	-	-	-	-	-	143,041	720,409	863,450
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	( 1,447,385 )	( 1,447,385 )
Balance at December 31, 2022		<u>\$ 9,470,492</u>	<u>\$ 38,021,187</u>	<u>\$ 6,995,473</u>	<u>\$ 4,848,301</u>	<u>\$ 40,698,111</u>	<u>(\$ 2,899,992 )</u>	<u>\$ 17,555</u>	<u>(\$ 257,489 )</u>	<u>\$ 96,893,638</u>	<u>\$ 35,972,053</u>	<u>\$ 132,865,691</u>
<b>Year ended December 31, 2023</b>												
Balance at January 1, 2023		\$ 9,470,492	\$ 38,021,187	\$ 6,995,473	\$ 4,848,301	\$ 40,698,111	(\$ 2,899,992 )	\$ 17,555	(\$ 257,489 )	\$ 96,893,638	\$ 35,972,053	\$ 132,865,691
Profit for the year		-	-	-	-	6,188,729	-	-	-	6,188,729	3,243,124	9,431,853
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	617	( 2,709,461 )	471,678	-	( 2,237,166 )	984,150	( 1,253,016 )
Total comprehensive income (loss)		-	-	-	-	6,189,346	( 2,709,461 )	471,678	-	3,951,563	4,227,274	8,178,837
Appropriations of 2022 earnings:	6(21)											
Legal reserve		-	-	1,421,842	-	( 1,421,842 )	-	-	-	-	-	-
Special reserve		-	-	-	( 1,965,864 )	1,965,864	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 5,682,295 )	-	-	( 5,682,295 )	-	-	( 5,682,295 )
Compensation cost of employee restricted stock	6(20)	-	( 6,652 )	-	-	-	-	-	-	( 6,652 )	( 4,807 )	( 11,459 )
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(20)	-	12,560	-	-	-	-	-	-	12,560	-	12,560
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	5,913	-	-	-	-	-	-	5,913	( 3,357 )	2,556
Recognition of changes in ownership interests in subsidiaries	6(32)	-	( 226,987 )	-	-	-	-	-	-	( 226,987 )	( 642,113 )	( 869,100 )
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	749,893	-	-	-	-	-	-	749,893	1,031,776	1,781,669
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	( 1,952,611 )	( 1,952,611 )
Balance at December 31, 2023		<u>\$ 9,470,492</u>	<u>\$ 38,555,914</u>	<u>\$ 8,417,315</u>	<u>\$ 2,882,437</u>	<u>\$ 41,749,184</u>	<u>(\$ 5,609,453 )</u>	<u>\$ 489,233</u>	<u>(\$ 257,489 )</u>	<u>\$ 95,697,633</u>	<u>\$ 38,628,215</u>	<u>\$ 134,325,848</u>

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 10,047,918	\$ 23,468,504
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	15,829,181	14,196,216
Amortisation	6(24)	494,145	441,835
Gain on financial assets or liabilities at fair value through profit or loss, net	6(2)	( 30,261 )	( 57,338 )
Impairment losses	6(8)	142,303	960,690
Expected credit losses	12	10,000	4,344
(Gain) loss on disposal of property, plant and equipment	6(28)	( 44,823 )	16,711
Loss on disposal of right-of-use assets	6(9)	320	-
Interest income	6(26)	( 2,500,594 )	( 767,556 )
Interest expense	6(29)	1,952,504	901,834
Share of loss (profit) of associates and joint ventures accounted for using equity method		16,094	( 8,892 )
Gain from lease modification	6(9)	-	( 2,032 )
Loss on redemption of convertible bonds	6(28)	438,175	-
Share-based (reversal) payment	6(18)	( 11,459 )	231,790
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 44,432 )	( 29,874 )
Accounts receivable		1,164,163	10,851,993
Accounts receivable due from related parties		( 378,349 )	( 352,904 )
Other receivables		198,835	724,741
Inventories		3,144,906	257,100
Prepayments		1,799,229	( 532,962 )
Other current assets		-	91
Changes in operating liabilities			
Accounts payable		2,856,608	( 3,352,090 )
Accounts payable to related parties		144,582	( 147,879 )
Other payables		620,562	1,396,796
Other current liabilities		( 15,564 )	21,343
Cash inflow generated from operations		35,834,043	48,222,461
Income tax paid		( 2,225,878 )	( 2,911,823 )
Net cash flows from operating activities		<u>33,608,165</u>	<u>45,310,638</u>

(Continued)

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss		(\$ 111,339 )	(\$ 467,286 )
Increase in current financial assets at amortised cost		( 2,232,802 )	( 786,300 )
Acquisition of financial assets at fair value through other comprehensive income		( 195,427 )	( 352,382 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	66,595
Acquisition of property, plant and equipment	6(33)	( 25,718,517 )	( 29,031,926 )
Proceeds from disposal of property, plant and equipment		265,332	306,687
Acquisition of intangible assets		( 41,019 )	( 332,281 )
Acquisition of right-of-use assets	6(9)	( 347,600 )	-
Increase in restricted assets		( 11,961 )	( 103,007 )
Decrease (increase) in other non-current assets		15,577	( 868,558 )
Increase in other non-current liabilities		81,546	451,018
Collected income distribution	6(2)	7,923	13,745
Interest received		2,548,418	677,029
Net cash flows used in investing activities		( 25,739,869 )	( 30,426,666 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(33)	20,644,189	1,960,388
Decrease in short-term borrowings	6(33)	( 3,284,436 )	( 4,948,486 )
Proceeds from long-term borrowings	6(33)	10,498,454	8,486,133
Repayments of long-term borrowings	6(33)	( 7,871,479 )	-
Increase in guarantee deposits received	6(33)	709,379	5,061,535
Cash dividends paid	6(21)	( 5,682,295 )	( 4,735,246 )
Redemption of convertible bonds	6(33)	( 12,465,792 )	-
Payments of lease liabilities		( 99,820 )	( 121,739 )
Interest paid		( 1,905,817 )	( 739,787 )
Changes in non-controlling interests - disposal of the subsidiary	6(32)	2,556	1,480,120
Changes in non-controlling interests - the subsidiary buys back treasury shares	6(32)	( 869,100 )	-
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	1,781,669	863,450
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		( 1,952,611 )	( 1,447,385 )
Net cash flows (used in) from financing activities		( 495,103 )	5,858,983
Effect of exchange rate changes on cash and cash equivalents		( 1,195,985 )	711,077
Net increase in cash and cash equivalents		6,177,208	21,454,032
Cash and cash equivalents at beginning of year		55,243,562	33,789,530
Cash and cash equivalents at end of year		\$ 61,420,770	\$ 55,243,562

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

**Zhen Ding Technology Holding Limited**  
**Earning Distribution for 2023**

Unit: NT\$

Item	Amount
Net income after tax	\$ 6,188,729,056
Add: Unappropriated earnings adjustments for the current year (Note 2)	617,095
Adjusted net profit after tax (Note 3)	\$ 6,189,346,151
Less: 10% general reserve (Note 3)	618,934,615
Less: Allocation to special reserve (Note 4)	2,237,783,334
Add: Undistributed earnings in previous years	35,559,833,422
Retained earnings available for distribution for this year	\$ 38,892,461,624
Distribution items: Cash Dividend (NT\$3.275 per share)	3,101,586,002
Accumulated undistributed earnings at the end of the period	\$ 35,790,875,622

## Note:

1. As of December 31, 2023, the Company's outstanding shares were 947,049,161 shares.
2. The actuarial gains and losses of defined benefit plans are recognized in other comprehensive income (net), and is an adjustment for distributable earnings for the current year.
3. Using the "total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period" as the basis for allocating statutory surplus reserve, and the statutory surplus reserve in previous years does not need to be adjusted retrospectively. (Reference to Letter No. 10802432410 issued by the Ministry of Economic Affairs in January 9, 2020)
4. Pursuant to the Order No. Financial-Supervisory-Securities-Corporate-1090150022 of the Financial Supervisory Commission's Securities and Futures Commission, a special surplus reserve of the same amount should be included for the net amount of other shareholders' equity deducted for the current year. Later when the other shareholders' equity deductions have been reversed, the reversal in surplus will be distributed.
5. The amount of NT\$ is converted according to the balance of US\$, the functional currency.
6. The cash dividends shall be calculated in NT\$ (allocated to NT\$1) in accordance with distribution ratio, and below NT\$1 will be rounded down.

Chairman:  
Chang-Fang Shen

General Manager:  
Chang-Fang Shen

Accounting Executive:  
Yuan-Shen Wang

## Zhen Ding Technology Holding Limited

### Comparison Table Before and After Amendment of the Rules Governing the Election of Directors

After amendment	Before amendment	Explanation
Article 2: The Company's director elections <u>shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act of the place where the listing is made.</u>	Article 2: The Company's director elections <u>shall proceed during shareholders' meetings.</u>	Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.
Article 3: The election of the Company's directors <u>shall adopt the cumulative voting method. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u>	Article 3: The election of the Company's directors <u>shall adopt the named ballot voting method. The names of the nominees may be represented by their attendance number or shareholder number on the ballot.</u>	<ol style="list-style-type: none"> <li>1. Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> <li>2. Combined with the original provision of Article 4.</li> </ol>
Deleted	<u>Article 4: For the election of the directors of the Company, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u>	The original provision is combined with the provision of the preceding article.
Article 4: The election of the Company's directors shall be conducted in accordance with the number of seats specified in the Company's Articles of Association, <u>with voting rights separately calculated for independent and non-independent director positions.</u> Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their <u>respective</u> numbers of votes. When two or more persons receive the same number of votes, thus	Article 5: Based on the number of seats predefined in the Articles of Association, candidates with the highest votes shall be assigned to fill the director positions. When <u>two or more</u> persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.	<ol style="list-style-type: none"> <li>1. Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>2. Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> </ol>

After amendment	Before amendment	Explanation
<p>exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.</p>		
<p>Article 5: <u>The person with the right to convene shall prepare ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u></p>	<p>Article 6: When the <u>Board of Directors</u> prepares <u>the ballots, the number of voting rights should be added to the ballots, and the shareholder's number should be added when necessary.</u></p>	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> </ol>
<p>Article 6: When the election begins, the Chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring <u>and</u> counting personnel.</p>	<p>Article 7: When the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring <u>and</u> counting personnel.</p>	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provision of Article 4.</li> <li>Amended with reference to the Sample Template for "XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange Corporation.</li> </ol>
<p>Deleted</p>	<p><u>Article 8: The voter must indicate in the "candidate" column of the ballot the candidate's name and shareholder account number. If the candidate is not a shareholder, their national ID number should be included. When the government or a institutional shareholder is a candidate, the candidate column of the ballot shall include the name of the institutional shareholder in accordance with the provisions of Paragraph 1, Article 27 of the Company Act, and the names of the institutional shareholder and its</u></p>	<p>In accordance with laws and regulations of the place where the listing is made, a candidate nomination system shall be adopted for the election of directors, thus deleting this article.</p>

After amendment	Before amendment	Explanation
<p>Article 7: Ballots are considered void in any of the following circumstances:</p> <p>I. The ballot was not prepared <u>by the person with the right to convene.</u></p> <p>II. A blank ballot is placed in the <u>ballot box.</u></p> <p>III. The writing is unclear and indecipherable <u>or has been altered.</u></p> <p>IV. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list.</u></p> <p>V. Other words or marks are entered in addition to <u>the number of voting rights allotted.</u></p>	<p><u>representative shall be included in accordance with the provisions of Paragraph 2 of the Act.</u></p> <p>Article 9: Ballots are considered void in any of the following circumstances:</p> <p>I. It is not a ballot <u>specified under the Rules.</u></p> <p>II. The ballot has been cast into the ballot box as a blank ballot.</p> <p>III. The writing is unclear and indecipherable.</p> <p>IV. The <u>written name</u> of the candidate <u>is indecipherable.</u></p> <p>V. There is additional information than the name and account number of the <u>candidate.</u></p> <p><u>VI. The candidate's name written in the ballot is the same as other shareholders, but the shareholder number has not been provided for identification.</u></p> <p><u>VII. The ballot has not been filled out according to the rules in the ballot remarks.</u></p>	<p>1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</p> <p>2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</p>
<p>Article 8: <u>The person with the right to convene shall set up the ballot box for the election of directors at the Company.</u> The box shall be inspected openly by the monitoring personnel before voting and it shall be opened by the monitoring and counting personnel after voting.</p>	<p>Article 10: <u>The Board of Directors shall set up the ballot box for the election of directors. The box shall be inspected openly by the monitoring personnel before voting and it shall be opened by the monitoring and counting personnel after voting.</u></p>	<p>1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</p> <p>2. Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</p>
<p>Article 9: The counting of votes is monitored by the monitoring personnel, and the votes are counted on the spot. The result of the vote is announced by the chairperson on the spot, including the list of directors elected and</p>	<p>Article 11: The counting of votes is monitored by the monitoring personnel, and the votes are counted on the spot. The result of the vote is announced by the chairperson on the spot, including the list of directors elected and</p>	<p>1. Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</p> <p>2. Amended with reference to the</p>

After amendment	Before amendment	Explanation
<p>their voting rights. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to <u>Article 189 of the Company Act of the place where the listing is made</u>, the ballots shall be retained until the conclusion of the litigation.</p>	<p>their voting rights. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, in situations where a shareholder makes a litigious claim against the Company according to <u>the laws of the R.O.C.</u>, the records shall be kept until the litigation is concluded.</p>	<p>Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</p>
<p>Article <u>10</u>: The board of directors of the Company shall issue notifications to the persons elected as directors.</p>	<p>Article <u>12</u>: The board of directors of the Company shall issue notifications to the persons elected as directors.</p>	<p>Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</p>
<p>Article <u>11</u>: <u>If directors of the Company are dismissed with reason and less than 5 directors remain, the Company shall hold a by-election at the next shareholders’ meeting. However, when the vacancies of directors reach one-third of the board, the Board of Directors shall convene an extraordinary shareholders’ meeting within 60 days to elect new directors.</u></p>	<p>Article <u>13</u>: <u>When the vacancies of directors reaches one-third of the board, the Board of Directors shall convene an extraordinary shareholders’ meeting within 30 days to elect new directors, and the terms of office for new directors shall be limited to the time limit for the original appointment. After the Company’s public offering of shares, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days for a by-election.</u></p>	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</li> <li>Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>
<p>Article <u>12</u>: <u>Where the number of Independent Directors of the Company is less than three (3) persons due to the resignation or discharge of such Independent Directors for any reason, a by-election shall be held by the Company at the next shareholders’ meeting. In the event that all of the Independent Directors have been resigned or discharged, the Company shall convene an extraordinary shareholders’ meeting to hold a by-election within 60 days from the date of resignation or discharge of the last Independent Director.</u></p>	<p>Article <u>14</u>: <u>Where the number of independent directors falls below the minimum specified in the proviso under Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held by the company at the next shareholders’ meeting. In the event that all independent directors have been discharged, the Company shall convene an extraordinary shareholders’ meeting to hold a by-election within 60 days from the date on which the vacancies arose.</u></p>	<ol style="list-style-type: none"> <li>Adjusted the article number in line with the deletion of the original provisions of Article 4 and 8.</li> <li>Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.</li> </ol>

After amendment	Before amendment	Explanation
Deleted	<u>Article 15: In the event the elected Directors do not meet the requirements provided in Article 26-3 of the Securities and Exchange Act, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected.</u>	Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Deleted	<u>Article 16: The number of directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as independent directors or non-independent directors.</u>	Moved the original provision to Article 5 and amended certain texts thereof with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.
Article <u>13</u> : The appointment and qualifications of the Company’s independent directors shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” in the location of the Company’s listing and Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	Article <u>16-1</u> : The appointment and qualifications of the Company’s independent directors shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” in the location of the Company’s listing and Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	Adjusted the article number in line with the deletion of the original provisions of Article 4, 8, 15 and 16.
Deleted	<u>Article 17: For the Company's director and independent director candidate nomination system, regarding review of director and independent director candidate qualifications, education, experience, whether disqualifying circumstances in the laws and regulations of the R.O.C. exist, documentary proof of other qualifications cannot be additionally listed without completing the appropriate procedures. Review results shall be presented to the shareholders as a basis for the consideration and election of suitable directors.</u>	Amended with reference to the Sample Template for “XXX Co., Ltd. Procedures for Election of Directors” issued by Taiwan Stock Exchange Corporation.

After amendment	Before amendment	Explanation
	<p><u>Shareholders holding more than 1% of the total issued shares and the Board of Directors may submit a list of candidates for independent directors. The list shall be submitted to the shareholders' meeting after the Board of Directors reviews and approves the qualifications of the independent directors. The shareholders' meeting shall elect the independent directors on the list. The methods of nominating independent director candidates, announcements and other related matters shall be handled in accordance with the relevant laws and regulations of the R.O.C.</u></p>	
<p>Article <u>14</u>: The Rules shall take effect after the approval of the Board of Directors and the Shareholders' Meeting. The same applies to all revisions.</p>	<p>Article <u>18</u>: The Rules shall take effect after the approval of the Board of Directors and the Shareholders' Meeting. The same applies to all revisions.</p>	<p>Adjusted the article number in line with the deletion of the original provision of Article 4, 8, 15, 16 and 17.</p>

## Zhen Ding Technology Holding Limited

### Shareholding Status of All Directors

- I. The Company's paid-in capital is NT\$9,470,491,610, and issued outstanding shares totaled 947,049,161 shares.
- II. According to the regulations stipulated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” of the place where the listing is made, the Company's shares held by the directors are 30,305,573 shares. The total number of shares held by all directors as of the book closure date is 310,223,627 shares, which has complied with the legal regulations.
- III. The Company has established an Audit Committee and therefore the Supervisor has not applied the applicable laws and regulations.

Book closure date: April 1, 2024

Title	Major Institutional Shareholders	Date Elected	Number of shares held when elected	Number of Shares Held at Current
Chairman	Chang-Fang Shen	2023.05.30	4,588,000	4,588,000
Director	Foxconn (FarEast) Limited Legal representative: Che-Hung Yu	2023.05.30	305,515,627	305,515,627
Director	Ting-Chuan Lee	2023.05.30	80,000	120,000
Independent Director	Chen-Fu Chien	2023.05.30	0	0
Independent Director	Xin-Cheng Yeh	2023.05.30	0	0
Independent Director	Jing-Ying Hu	2023.05.30	0	0
Independent Director	Jun-Chong Chen	2023.05.30	0	0
Total shareholdings of all directors			310,183,627	310,223,627

The Chinese translation is for reference only.  
The correct content shall be based on the English version.

**(Chinese translation)**

**The sixteenth amendment and restated outline of the Articles of Association**

**Zhen Ding Technology Holding Limited**

(Adopted by a Special Resolution passed on May 30, 2023)

**Date of Establishment: June 5, 2006**

Established in the Cayman Islands

**Cayman Islands Companies Act (revised)**

**Co., Ltd.**

**The sixteenth amendment and restated outline of the Articles of Association**

**Zhen Ding Technology Holding Limited**

(Adopted by a Special Resolution passed on May 30, 2023)

1. The Company's name is **Zhen Ding Technology Holding Limited**.
2. The Company is registered at the place of registration of Offshore Incorporations (Cayman) Limited, which is Scotia Centre, Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands, or another location resolved by the directors at a later date.
3. The purpose of the Company's establishment is unrestricted, which should include, but is not limited to, the following:
  - (a) (i) Engaging in the business of investment companies and serving as founders, engaging in the business of financiers, capital investors, franchisees, retailers, brokers, traders, dealers, agents and importers and exporters, and engaging in and executing various investment, financial, commercial, trade, transaction and other operational activities.
  - (ii) Engaging in real estate brokerage, real estate development, consulting, real estate escrow or management, construction, contracting, engineering, manufacturing, trading, or sales of all types of assets (including services) whether as the Company, as an agent, or otherwise.
  - (b) Exercising and executing all rights and authorities conferred by or attached to ownership of any shares, equity interests, obligations or other securities, including (but without prejudice to the aforementioned general provisions) all veto or control rights that may be obtained due to the special proportion of the issued amount or nominal amount of the securities held by the Company. In addition, for other companies that the Company is interested in, management and other administrative, supervisory, and consulting services shall be provided according to the recognized and appropriate conditions.
  - (c) Acquiring or obtaining through other means, selling, exchanging, transferring, leasing, setting up mortgages, guaranteeing, converting, using, disposing of, and processing various movables, real estate, rights, etc., especially mortgage rights, corporate bonds, products, franchises, options, contracts, patents, annuities, licenses, stocks, shares, bonds, policies, book debts, business enterprises, operations, claims, privileges, and all kinds of goods involved in various activities.
  - (d) Conditionally or unconditionally subscribing, underwriting, issuing, acquiring, holding, trading, and converting various stocks, shares, and securities. Entering into partnership agreements or any arrangements for profit sharing, mutual benefit, or cooperation with others or other companies. Establishing or assisting in the establishment, formation, incorporation, or organization of any kind of company, joint venture, or partnership, in order to acquire any assets and liabilities of the Company, or to directly or indirectly enhance the purposes of the Company, or for any other purpose deemed appropriate by the Company.

- (e) Providing guarantees, support, or collateral for the performance of all or any debt of others, whether they are related companies or have any form of affiliation, whether they provide personal guarantees, or whether they have set up mortgages, liens, or security interests or any other form of collateral on all or any part of the current and future properties and assets of the Company (including unpaid share capital), regardless of whether the Company receives valuable consideration for such actions.
- (f) Engaging in or managing other legal transactions, operations, or corporate activities that the Company's directors think can be carried out in conjunction with the business or activities of the Company, or other legal transactions, operations, or corporate activities that the Company's directors think may be profitable for the Company.

When interpreting the objectives, operations, or abilities of the Company as set out in the outline of the Articles or Article 3, no restrictions or constraints shall be imposed simply because they mention or refer to other objectives, operations, abilities, or company names, or because they list two or more objectives, operations, or abilities together. If there is any ambiguity in the wording of this article or any other article of the outline of the Articles, the interpretation should be guided by a broad and expansive understanding of the various objectives, operations, and abilities that the company possesses and can exercise without limitation.

4. Except as prohibited or limited by the Companies Act (Revised), the Company shall have full power and authority to carry out any object of the Company and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Articles of Association and Memorandum of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay for all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company (including uncalled capital) or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to categories of the shareholders of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be fittingly or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the aforesaid business activities.
5. The obligations of each shareholder to the Company are limited to unpaid share capital.
6. The share capital of the Company is NT\$16,000,000,000 divided into 1,600,000,000 ordinary shares of a par value of NT\$10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or

restrictions and so that unless the conditions of issuance shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained, PROVIDED ALWAYS that notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (Revised) and, subject to the provisions of the Companies Act (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

**Cayman Islands Companies Act (revised)  
Co., Ltd.**

**The sixteenth amendment and restated Articles of Association  
Zhen Ding Technology Holding Limited  
(Adopted by a Special Resolution passed on May 30, 2023)**

## Table of Contents

<p style="text-align: center;"><b>Form A</b></p> <p style="text-align: center;"><b>INTERPRETATION</b></p> <p>1. Definitions</p> <p style="text-align: center;"><b>Shares</b></p> <p>2. Power to Issue Shares</p> <p>3. Redemption and Buy Back of Shares</p> <p>4. Rights Attached to Shares</p> <p>5. Shares</p> <p>6. Preferred Shares</p> <p style="text-align: center;"><b>REGISTRATION OF SHARES</b></p> <p>7. Register of Shareholders</p> <p>8. Registered Holder is the Absolute Owner</p> <p>9. Transfer of Registered Shares</p> <p>10. Transmission of Registered Shares</p> <p style="text-align: center;"><b>ALTERATION OF SHARE CAPITAL</b></p> <p>11. Power to Alter Capital</p> <p>12. Variation of Rights Attaching to Shares</p> <p style="text-align: center;"><b>Dividends and Capitalization</b></p> <p>13. Dividends</p> <p>14. Earnings distribution</p> <p>15. Method of Payment</p> <p>16. Capitalization</p> <p style="text-align: center;"><b>Shareholders' meeting</b></p> <p>17. General Shareholders' Meeting</p> <p>18. Extraordinary General Meetings</p> <p>19. Notice</p> <p>20. Giving Notice</p> <p>21. Postponement of General Meeting</p> <p>22. Quorum and Proceedings at General Meetings</p> <p>23. Chairperson of the Meeting</p>	<p>24. Voting on Resolutions</p> <p>25. Proxies</p> <p>26. Proxy Solicitation</p> <p>27. Dissenting Shareholder's Appraisal Right</p> <p>28. Shares with no voting rights</p> <p>29. Voting by Joint Holders of Shares</p> <p>30. Representation of Corporate shareholder</p> <p>31. Adjournment of General Meeting</p> <p>32. Directors Attendance at General Meetings</p> <p style="text-align: center;"><b>DIRECTORS AND OFFICERS</b></p> <p>33. Number and Term of Office of Directors</p> <p>34. Election of Directors</p> <p>35. Removal of Directors</p> <p>36. Vacation of Office of Director</p> <p>37. Compensation of Directors</p> <p>38. Defect in Election of Director</p> <p>39. Directors to Manage Business</p> <p>40. Powers of the Board of Directors</p> <p>41. Register of Directors and Officers</p> <p>42. Officers</p> <p>43. Appointment of Officers</p> <p>44. Duties of Officers</p> <p>45. Compensation of Officers</p> <p>46. Conflicts of Interest</p> <p>47. Indemnification and Exculpation of Directors and Officers</p>	<p style="text-align: center;"><b>Board Meetings</b></p> <p>48. Board Meetings</p> <p>49. Notice of Board Meetings</p> <p>50. Participation in Meetings by Video Conference</p> <p>51. Quorum at Board Meetings</p> <p>52. Board to Continue in the Event of Vacancy</p> <p>53. Chairperson of the Board of Directors</p> <p>54. Validity of Prior Acts of the Board</p> <p style="text-align: center;"><b>CORPORATE RECORDS</b></p> <p>55. Minutes</p> <p>56. Register of Mortgages and Charges</p> <p>57. Form and Use of Seal</p> <p style="text-align: center;"><b>TENDER OFFER AND ACCOUNTS</b></p> <p>58. Tender Offer</p> <p>59. Books of Account</p> <p>60. Financial Year End</p> <p style="text-align: center;"><b>Audit Committee</b></p> <p>61. Number of Committee shareholders</p> <p>62. Powers of Audit Committee</p> <p style="text-align: center;"><b>VOLUNTARY WINDING-UP AND DISSOLUTION</b></p> <p>63. Winding-Up</p> <p style="text-align: center;"><b>Changes to constitution</b></p> <p>64. Changes to constitution</p> <p style="text-align: center;"><b>Reduction of Capital</b></p> <p>65. Reduction of Capital</p> <p>66. Discontinuance</p> <p style="text-align: center;"><b>OTHER</b></p> <p>67. Social responsibility</p>
---	---	---

## The sixteenth amendment and restated Articles of Association

### Zhen Ding Technology Holding Limited

(Adopted by a Special Resolution passed on May 30, 2023)

The statutes in Form A, Attachment 1 of the law (as defined below) are not applicable to the Company.

## INTERPRETATION

### 1. Definitions

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

<b>Applicable Law</b>	the Applicable Public Company Rules, the law or such other rules or legislation applicable to the Company;
<b>Applicable Public Company Rules</b>	the R.O.C. laws, rules and regulations (including, but not limited to, the Company Act, the Securities and Exchange Act, Business Mergers and Acquisitions Act, the rules and regulations promulgated by the FSC (as defined below) and the rules and regulations promulgated by the TSE (as defined below), as amended from time to time) affecting public reporting companies or companies listed on any R.O.C. stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
<b>Appointed Representative</b>	has the meaning given thereto in Article 34.5;
<b>"Articles of Association"</b>	these Articles of Association as altered from time to time;
<b>Audit Committee</b>	the audit committee of the Board, which shall comprise solely of Independent Directors of the Company;
<b>"Board of Directors"</b>	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
<b>Capital Reserve</b>	for the purpose of these Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company under the law;
<b>"Chairperson"</b>	the Director elected amongst all the Directors as the chairman of the Board;
<b>Company</b>	Zhen Ding Technology Holding Limited 臻鼎科技控股股份有限公司;
<b>Compensation Committee</b>	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;

<b>Cumulative Voting</b>	the voting mechanism for an election of Directors as described in Article 34.2;
<b>Directors</b>	the directors for the time being of the Company and shall include any and all Independent Director(s);
<b>Dissenting Shareholder</b>	has the meaning given thereto in Article 27.2;
<b>Dividend</b>	means any dividend resolved to be paid on the shares of the Company pursuant to the Articles;
<b>Electronic Record</b>	has the same meaning as in the Electronic Transactions Law;
<b>"Electronic Transactions Law"</b>	Refers to the "Electronic Transactions Law" (Revised Version) of the Cayman Islands.
<b>FSC</b>	the Financial Supervisory Commission of the R.O.C.;
<b>Independent Directors</b>	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules;
<b>Joint Operation Contract</b>	a contract between the Company and one or more person(s) or entity(ies) where the parties thereto agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
<b>Law</b>	The Companies Act (Revised) of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force.
<b>Lease Contract</b>	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as compensation, the Company receives a pre-determined payment from such person;
<b>Management Contract</b>	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as compensation, such person(s) receive a pre-determined payment from the Company, while the Company continues to be entitled to the profits (or losses) of such business;
<b>Market Observation Post System</b>	the public company reporting system maintained by the Taiwan Stock Exchange Corporation, via <a href="http://newmopsov.twse.com.tw/">http://newmopsov.twse.com.tw/</a> ;
<b>Shareholder</b>	the person registered in the Register of shareholders as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the

Register of shareholders as one of such joint holders or all of such persons, as the context so requires;

**“Overview of the Articles of Association”** Refers to the articles of association of the Company.

<b>Merger</b>	a transaction whereby:  a transaction whereby: (i) a "merger" as defined under by the law; or (b) other forms of mergers and acquisitions which fall within the definition of "merger" or "acquisition" under the applicable public company regulations;
<b>Month</b>	calendar month;
<b>Notice</b>	written notice as further provided in these Articles unless otherwise specifically stated;
<b>Officer</b>	any person appointed by the Board to hold an office in the Company;
<b>Ordinary Resolution</b>	a resolution passed at a general meeting (or, if so specified, a meeting of shareholders holding a class of shares) of the Company by not less than a simple majority of the votes cast;
<b>Private Placement</b>	means, after the shares are listed on the TSE, obtaining subscription for, or the sale of, shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors in the R.O.C. as prescribed under the Applicable Public Company Rules and permitted by the competent securities authority in the R.O.C., but excluding any employee incentive program or subscription agreement, warrant, option or issuance of Shares under Articles 2.5, 2.8 and 2.10 hereof;
<b>Preferred Shares</b>	has the meaning given thereto in Article 6;
<b>Register of Directors and Officers</b>	the register of directors and officers referred to in these Articles;
<b>Register of shareholders</b>	the register of shareholders of the Company maintained in accordance with the law and (as long as the Company is listed on the TSE,) the Applicable Public Company Rules;
<b>Registered Office</b>	the registered office for the time being of the Company;
<b>Replacement</b>	has the meaning given thereto in Article 34.6;
<b>Restricted Shares</b>	has the meaning given thereto in Article 2.5;
<b>R.O.C.</b>	Taiwan, the Republic of China;
<b>Seal</b>	the common seal or any official or duplicate seal of the Company;

<b>Secretary</b>	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
<b>share(s)</b>	share(s) of par value NT\$10 each in the Company;
<b>Share Swap</b>	a 100% share swap as defined in the R.O.C. 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;
<b>Share Exchange</b>	a share exchange as permitted under the R.O.C. Company Act whereby a company acquires a portion of the issued and outstanding shares of another company with the consideration being the newly issued shares of such acquiring company;
<b>Special Resolution</b>	Subject to the law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such shareholders who, being entitled to do so, vote in person or by their proxies, or, in the case of shareholders that are corporations or other non-natural person, by their duly authorized representatives by computing the number of votes to which each shareholder is entitled;
<b>Spin-off</b>	a spin-off as defined in the R.O.C. Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;
<b>Subsidiary</b>	For any company, it refers to (1) an entity, one half or more of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) an entity that such company has direct or indirect control over its personnel, financial or business operation; (3) an entity with more than half (inclusive) of shareholders responsible for business execution or directors serving the Company; and (4) the entity, one half or more of whose total number of issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;
<b>Supermajority Resolution</b>	a resolution passed by a majority vote of the shareholders present at a general meeting attended by shareholders who represent two-thirds or more of the total issued shares, or if the total number of shares represented by the shareholders present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, then

instead, it refers to a resolution passed by two-thirds or more of votes cast by the shareholders present at such general meeting;

**Treasury Shares**

has the meaning given thereto in Article 3.12;

**TDCC**

means the Taiwan Depository & Clearing Corporation;

**TSE**

Taiwan Stock Exchange Corporation.

**year**

calendar year.

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

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

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

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

## **SHARES**

### **2. Power to Issue Shares**

**2.1** Subject to these Articles and any resolution of the shareholders to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the shareholders prescribe, provided that no share shall be issued at a discount except in accordance with the law.

**2.2** Unless otherwise provided in these Articles, the issuance of new shares of the Company shall be approved by the Board.

- 2.3** The issuance of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company. Where the Company increases its issued share capital by issuing new shares for cash consideration in the R.O.C., the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the R.O.C. to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or TSE for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the participants in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company shall also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its subsidiaries ("Employee Subscription Portion").
- 2.4** Unless otherwise resolved by the shareholders in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration, after allocation of the Public Offering Portion and the Employee Subscription Portion, the Company shall make a public announcement and notify each shareholder that he is entitled to exercise a preemptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the shareholders the procedures for exercising such preemptive rights. Where an exercise of the preemptive right may result in fractional entitlement of a shareholder, the entitlements (including fractional entitlements) of two or more shareholders may be combined to jointly subscribe for one or more whole new shares in the name of a single shareholder, subject to compliance with such directions and terms and conditions as determined by the Board according to the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the shareholders within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any unsubscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.
- If any person who has subscribed the new shares fails to pay when due any amount of the subscription price within the payment period as determined by the Company, the Company shall fix a period of no less than one month and demand for payment of the subscription price or the Company may declare a forfeiture of the subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.
- 2.5** Subject to the provisions of the law, the Company may issue new shares with restricted rights ("Restricted Shares") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The preemptive right of employees under Article 2.3 and the preemptive right of shareholders under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:

- (a) in connection with a Merger, Share Swap, Share Exchange, Spin-off, or pursuant to any reorganization of the Company;
- (b) in connection with the Company's share options under share subscription and/or options, including those under Articles 2.8 and 2.10;
- (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
- (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
- (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
- (f) in connection with the issue of shares in accordance with Article 13.8; or
- (g) in connection with Private Placement of the securities issued by the Company.

**2.7** The Company shall not issue any unpaid shares or partly paid-up shares.

**2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programs and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the shareholders is not required.

**2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.

**2.10** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive program approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive program.

### **3. Redemption and Buy Back of Shares**

**3.1** Without violating the law, 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.

**3.2** The Company is authorized to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorized for this purpose in accordance with the law.

**3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.

**3.4** Every share certificate relating to redeemable share shall indicate that the share is redeemable.

**3.5** Subject to the provisions of the law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine.

**3.6** In the event that the Company propose to purchase any share listed on the TSE pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the shareholders in the next general meeting in accordance with Applicable Public Company Rules. Such reporting

obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.

- 3.7** The redemption price may be paid in any manner authorized by Article 15.1.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due inquiry, estimate to be representative of the rates being offered by banks holding "A" licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.10** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.11** No share may be redeemed unless they are fully paid-up.
- 3.12** Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be canceled immediately or held as treasury shares ("Treasury Shares") at the discretion of the Directors.
- 3.13** No Dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to shareholders on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of shareholders as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a shareholder for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
  - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the law.
- 3.15** Any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.16** Subject to Article 3.15, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

#### **4. Rights Attached to Shares**

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

- (a) be entitled to one vote per share;
- (b) be entitled to such Dividends as recommended by the Board and approved by the shareholders at general meeting;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise, or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

#### **5. Shares**

**5.1** Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every shareholder shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such shareholder. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

**5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit. If the Board of Directors deems it appropriate, compensation for lost shares may be requested.

**5.3** Share may not be issued in bearer form.

**5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the law, the Outline of the Articles, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

**5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall upon the issue of such shares cause the name of the subscriber and other particulars to be entered onto the Register of shareholders in accordance with the law and the Applicable Public Company Rules.

#### **6. Preferred Shares**

**6.1** Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "Preferred Shares"), and cause to be set forth in these Articles.

**6.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:

- (a) the order of priority and fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;

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

## **REGISTRATION OF SHARES**

### **7. Register of Shareholders**

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

### **8. Registered Holder is the Absolute Owner**

Except as required by law:

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

### **9. Transfer of Registered Shares**

- 9.1** Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3** The Board may refuse to recognize any instrument of transfer with respect to shares in certificated form unless it is accompanied by the certificate with respect to the related shares and other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased shareholder may transfer any such share to the executors or administrators of such deceased shareholder.
- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) violate applicable laws or (ii) conflict with the Outline of the Articles or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

**10. Transmission of Registered Shares**

**10.1** In the case of the death of a shareholder, the survivor or survivors where the deceased shareholder was a joint holder, and the legal personal representatives of the deceased shareholder where the deceased shareholder was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased shareholder's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased shareholder with other persons. Subject to the provisions of Section 39 of the law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased shareholder or such other person as the Board may, in its absolute discretion, decide as being properly authorized to deal with the shares of a deceased shareholder.

**10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any shareholder may be registered as a shareholder upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favor of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a shareholder

[ ] (the "Company")

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

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

Signed by: \_\_\_\_\_

Witness: \_\_\_\_\_

Transferor Witness: \_\_\_\_\_

Witness: \_\_\_\_\_

**10.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a shareholder. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that shareholder before such shareholder's death or bankruptcy, as the case may be.

**10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognize no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

## ALTERATION OF SHARE CAPITAL

### 11. Power to Alter Capital

- 11.1** Subject to the law, the Company may from time to time by Ordinary Resolution to increase its authorized share capital by such amount as it thinks expedient.
- 11.2** Subject to the law, the Company may from time to time by Ordinary Resolution alter the conditions of its Articles of Association to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; and
  - (b) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled in such manner as permitted by Applicable Law.
- 11.3** Subject to the law and the Articles, the Company may from time to time by Special Resolution:
- (a) change its name;
  - (b) alter or add to the Articles;
  - (c) alter or add to the Outline of the Articles with respect to any objects, powers or other matters specified therein; or
  - (d) reduce its share capital and any capital redemption reserve fund.
- 11.4** Subject to the law, Article 11.5 and Article 11.6, the following actions by the Company shall require the approval of the shareholders by a Supermajority Resolution, provided that if the Applicable Public Company Rules permit the Company to only require the approval of the Board or of the shareholders by an Ordinary Resolution for the following actions, the Company is not required to obtain the approval of the shareholders by a Supermajority Resolution:
- (a) effecting any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
  - (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the law, which requires the approval of the Company by Special Resolution only), Share Swap or Spin-off of the Company;
  - (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
  - (d) the transferring of the whole or any essential part of the business or assets of the Company; or
  - (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.
- 11.5** Subject to the law, the Company may be dissolved voluntarily through the following resolutions:
- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
  - (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.
- 11.6** For as long as the shares are listed on the TWSE, if the Company proposes to undertake:

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

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

- 11.7** Subject to the law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the R.O.C. in accordance with Applicable Public Company Rules. However, for the issuance of common corporate bonds by way of Private Placement within the territory of the R.O.C., the Company may do so by resolution of the Board in accordance with the Applicable Public Company Rules.

## **12. Variation of Rights Attaching to Shares**

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

## **DIVIDENDS AND CAPITALIZATION**

### **13. Dividends**

- 13.1** The Board may declare a Dividend to be paid to the shareholders in proportion to the number of shares held by them, and such Dividend may be paid in cash, shares or, subject to Article 13.2, wholly or partly in specie. No unpaid Dividend shall bear interest as against the Company.
- 13.2** Subject to the provisions of Article 13.1 hereof and approval by shareholders by way of Ordinary Resolution, the Directors may determine that a Dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. However, before the Board of Directors can ascertain the value of the specific asset, the Board of Directors should obtain the consent of the shareholders for the proposed receipt of specific assets and an accountant's valuation report based on the value of the specific asset. The Directors may make cash payments to some shareholders on the footing of the value so fixed in order to adjust the rights of

shareholders. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.

- 13.3** Subject to the Applicable Law, no Dividends or other distribution shall be paid except out of profits of the Company, realized or unrealized, out of share premium account or any reserve, fund or account as otherwise permitted by the law. All dividends and other allocations shall be calculated based on shareholders' shareholding ratios unless otherwise stated in the rights attached to shares. If the conditions for the issuance of shares requires the calculation of dividends to start from a specific date, the dividends for such shares shall be calculated accordingly.
- 13.4** With respect to the Dividend to be distributed at the end of each financial year, subject to the law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits after each financial year in accordance with a proposal for profits distribution approved by, in the case of Dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of Article 11.4(a), by Supermajority Resolution in the annual meeting. After the Board approves the distribution of Dividend in cash, the Board shall report such distribution in the next annual general meeting.
- 13.5** Upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside zero point five per cent (0.5%) to twenty per cent (20%) as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company may set aside no more than half percent (0.5%) of the aforementioned profit in the current year as remuneration for directors. The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the above mentioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.
- 13.6** In determining the Company's dividend policy, the Board recognizes that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. Regarding the proposals for shareholders to approve dividends or other allocations (if any) in each fiscal year, the Board of Directors may:
- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of shareholders' rights and interests; and
  - (b) The Company shall allocate dividends from the Company's surplus in each fiscal year for: (i) preparatory fund for payment of taxes during the related fiscal year, (ii) amount to make up for past losses, (iii) ten per cent (10%) as a general reserve (unless the general reserve reserved in the past years has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.
- 13.7** Subject to compliance with the law and after setting aside the amounts for Employees'

Compensations and Directors' Remuneration in accordance with Article 13.5 and such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.6, the Board shall recommend to distribute no less than ten percent (10%) of the distributable amount as Dividend to the shareholders.

- 13.8** The Board of Directors may decide to use cash, the undistributed shares paid for with the cash amount, or both for the distribution of dividends for shareholders and compensation for employees. The cash dividends distributed to shareholders shall be no less than fifty percent (50%) of the total dividends. No unpaid Dividend and compensation shall bear interest as against the Company.
- 13.9** The Board shall fix any date as the record date for determining the shareholders entitled to receive any Dividend or other distribution.
- 13.10** For the purpose of determining shareholders entitled to receive payment of any Dividend or other distributions, the Directors may provide that the Register of shareholders be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the law.

#### **14. Earnings distribution**

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

#### **15. Method of Payment**

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

#### **16. Capitalization**

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

## SHAREHOLDERS' MEETING

### 17. General Shareholders' Meeting

- 17.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall call all annual general meetings.
- 17.2** The shareholders meetings (including annual shareholders meetings and extraordinary shareholders meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the shareholders meetings shall be held in the ROC. If the Board resolves to hold a shareholders meeting outside the R.O.C., the Company shall apply for the approval of the TWSE thereof within two days after the Board adopts such resolution. Where a shareholders meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such shareholders meeting (including but not limited to the handling of the voting of proxies submitted by shareholders).
- 17.3** The shareholders' meeting can be convened through video conferencing or other methods announced by the competent authority of the R.O.C. The conditions, operating procedures and other matters to be observed when holding a shareholders' meeting by video conference during the period when the shares are listed in the emerging stock market or listed on the TPEX or TWSE of the Republic of China shall abide by the Public Company Rules.
- 17.4** Shareholders may participate in the shareholders meeting by means of video conference or other communication facilities, as permitted by the applicable Law, where all persons participating in the meeting may communicate with each other simultaneously and instantaneously, and participation in such way shall constitute presence in person at such meeting.

### 18. Extraordinary General Meetings

- 18.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 18.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable, and the Board shall on a shareholder's requisition as defined in Article 18.3 forthwith proceed to convene an extraordinary general meeting of the Company.
- 18.3** A shareholder's requisition set forth in Article 18.2 is a requisition of one or more shareholders of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such shareholder(s) for at least one year.
- 18.4** The shareholder's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the R.O.C., and may consist of several documents in like form each signed by one or more requisitionists.
- 18.5** If the Board does not within fifteen (15) days from the date of the deposit of the shareholder's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the R.O.C., an application

shall be submitted by such requisitionists to the TSE for its prior approval.

- 18.6** Any one or more shareholder(s) may summon an extraordinary general meeting, provided that such shareholder or shareholders shall hold more than fifty per cent (50%) of the total issued Shares of the Company for a continuous period of no less than three (3) months. The number of the Shares held by a shareholder and the period during which a shareholder holds such Shares, shall be calculated and determined based on the Register of shareholders as of the first day of the period that the Register of shareholders shall be closed for transfers.

## **19. Notice**

- 19.1** At least thirty days' notice of an annual general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 19.2** At least fifteen days' notice of an extraordinary general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the shareholders entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of shareholders accordingly in accordance with Applicable Public Company Rules.
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public the notice of a shareholders meeting, the proxy instrument, agendas and materials relating to the matters to be approved and discussed in the shareholders meetings, including but not limited to, election or dismissal of Directors, in accordance with Articles 19.1 and 19.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with the Public Company Rules; If the voting power of a shareholder at a shareholders meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the shareholder to exercise the voting power together with the above mentioned materials to the shareholder. The Directors shall prepare a meeting handbook of the relevant shareholders meeting and supplemental materials, which will be sent to or made available to all shareholders and shall be transmitted to the Market Observation Post System in a manner consistent with the Public Company Rules twenty-one (21) days prior to the general shareholders meetings or, in the case of extraordinary shareholders meetings, fifteen (15) days prior to such meeting. However, when the Company's paid-in capital at the end of the most recent fiscal year is NT\$10 billion or more, or the Company holds a shareholders meeting in the most recent fiscal year, and the total shareholding ratio of foreign and China capital recorded in the shareholder register is more than 30%, the transmission of the aforementioned electronic files shall be completed 30 days before the shareholders meeting.
- 19.6** The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,

- (b) alteration of the Outline of the Articles or Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the Companies shares;
- (e) (i) dissolution, Merger, Share Swap or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16 or distributions of cash out of the general reserve accumulated in accordance with Article 13.5 (b) or Capital Reserve to its shareholders, and
- (h) Private Placement of any equity-related securities to be issued by the Company.

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

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

## **20. Giving Notice**

- 20.1** Any Notice or document, whether or not to be given or issued under these Articles from the Company to a shareholder, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to

any shareholder either personally or by sending it through the post in a prepaid envelope addressed to such shareholder at his registered address as appearing in the Register of shareholders or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the shareholder or to the extent permitted by Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of shareholders and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

**20.2** Any Notice or other document:

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

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

**21. Postponement of General Meeting**

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

**22. Quorum and Proceedings at General Meetings**

**22.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, shareholders present in person or by proxy or in the case of a corporate shareholder, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

**22.2** The Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual

general meetings of the Company for ratification by the shareholders in a manner consistent with the Applicable Public Company Rules. After ratification by the shareholders at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each shareholder or otherwise make the same available to the shareholders in accordance with the Applicable Public Company Rules.

- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided by voting, provided that the resolution shall be deemed unanimously adopted and have the same effect as a resolution received on a poll after the chairperson of the meeting inquires all attending shareholders' opinion and receives no objections thereto. No resolution put to the vote at the meeting shall be decided by a show of hands.
- 22.4** Nothing in these Articles shall prevent any shareholder from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, R.O.C., may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the law, the Outline of the Articles or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the shareholders at any general meeting may be passed by an Ordinary Resolution.
- 22.6** shareholder(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of shareholders, may propose to the Company in writing or any electronic means designated by the Company one matter for discussion at an annual general meeting. The Board shall include the proposal in the agenda of the annual general meeting unless (a) the proposing shareholder does not hold at least 1% of the Company's total issued shares; (b) the proposal is not a resolution of the shareholders' meeting or the text of the motion exceeds 300 Chinese characters; (c) the shareholder submitted more than one proposal; or (d) the proposal was submitted outside of the announced acceptance period. If the purpose of the proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed in general meeting.

### **23. Chairperson of the Meeting**

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

### **24. Voting on Resolutions**

- 24.1** Subject to any rights, privileges or restrictions attached to any share, every shareholder who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A shareholder who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.

- 24.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a shareholder on the record date for such meeting.
- 24.3** Votes may be cast either in person or by proxy. A shareholder may appoint another person as their proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that the shareholder appoints only one proxy under one instrument to attend and vote at such meeting.
- 24.4** The Company shall allow the shareholders to exercise voting rights by electronic means. The method for exercising such voting power shall be described in the shareholders meeting notice to be given to the shareholders if the voting power may be exercised by way of a written ballot or electronic transmission. Any shareholder who intends to exercise the voting power by way of a written ballot or by way of electronic transmission shall serve the Company with the voting decision at least two (2) days prior to the date of such shareholders meeting. Where more than one voting decision are received from the same shareholder by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant shareholder to revoke the previous voting decision in the later-received voting decision. A shareholder who exercises the voting power at a shareholders meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the shareholders meeting as proxy to vote such shareholders' shares at the shareholders meeting only in the manner directed in the written instrument or electronic document. The chairman of the shareholders meeting as proxy shall not have the power to exercise the voting rights of such shareholder with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said shareholders meeting. For the purpose of clarification, shareholders voting in such manner shall be deemed to have waived their voting rights with respect to any extempore motions or amendments to resolution(s) proposed at such shareholders meeting.
- 24.5** In the event any shareholder who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 24.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 24.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant shareholder fails to revoke his voting decision before the prescribed time.
- 24.6** A shareholder who has served the Company with his voting decision in accordance with Article 24.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

## **25. Proxies**

- 25.1** The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b)

the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant shareholder, proxy and the solicitor (if any). The form of proxy shall be provided to the shareholders together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all shareholders on the same day.

- 25.2** An instrument of proxy shall be in writing, be executed under the hand of the appointer or his attorney duly authorized in writing, or, if the appointer is a corporation or other non-natural person, under the hand of an officer or attorney duly authorized for that purpose. A proxy need not be a shareholder of the Company.
- 25.3** Subject to the Applicable Public Company Rules, except for an R.O.C. trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairperson being deemed appointed as proxy under Article 24.4, in the event a person acts as the proxy for two or more shareholders, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its register of shareholders. Votes exceeding 3% of the voting rights will not be counted.
- 25.4** In the event that a shareholder exercises his voting power by way of a written ballot or electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the R.O.C. or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairperson being deemed appointed as proxy under Article 24.4. Where more than one instrument to vote are received from the same shareholder by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant shareholder to revoke the previous proxy in the later-received instrument.

## **26. Proxy Solicitation**

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

## **27. Dissenting Shareholder's Appraisal Right**

- 27.1** Subject to compliance with the law, in the event any of the following resolutions is passed at Shareholders' Meetings, any shareholder who has expressed his objection, in writing or verbally (with a record to that effect in the minutes of the meeting) and voted against or waived his voting right, before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) the Company acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;
- (d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

According to Article 27.1 of the Articles, the number of shares abstaining from voting shall not be counted in the voting rights of shareholders in attendance in the Shareholders' Meeting but shall be counted towards the quorum of the general meeting.

**27.2** Without prejudice to the law, any shareholder exercising their rights in accordance with Article 27.1 (the "**Dissenting Shareholder**") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection stating the repurchase price proposed by him. If the Company and the Dissenting Shareholder agree on a price at which the Company will purchase the Dissenting Shareholder'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 any Dissenting Shareholder fail to agree on a price at which the Company will purchase the Dissenting Shareholder's shares, the Company shall pay the fair price it deems fit to such Dissenting Shareholder 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 such Dissenting Shareholder within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Shareholder.

**27.3** Without prejudice to the law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and any Dissenting Shareholder fail to agree on a price at which the Company will purchase such Dissenting Shareholder's Shares, then, within thirty (30) days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Shareholders which have not agreed at the purchase price by the Company for a determination of the fair price of all the Shares held by such Dissenting Shareholders. The Taiwan Taipei District Court, R.O.C., may be the court of the first instance for this matter.

**27.4** Notwithstanding the above provisions under this Article 27, nothing under this Article shall restrict or prohibit a shareholder from exercising his right under section 238 of the law to payment of the fair value of his shares upon dissenting from a merger or consolidation.

## **28. Shares with no voting rights**

### **28.1** Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or or

- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital; shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

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

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

## **29. Voting by Joint Holders of Shares**

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

## **30. Representation of Corporate shareholder**

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

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

## **31. Adjournment of General Meeting**

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

## **32. Directors Attendance at General Meetings**

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

## **DIRECTORS AND OFFICERS**

### **33. Number and Term of Office of Directors**

- 33.1** The Board of Directors shall consist of no less than five (5) and no more than nine (9) persons, and more than half of them shall have household registration in the Republic of China. The term of office for each Director shall not exceed a period of three (3) years. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the applicable laws and the foregoing range of number of directors.
- 33.2** Unless otherwise approved by the TSE, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.
- 33.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 33.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 33.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation.
- 33.4** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least two (2) of the Independent Directors shall be domiciled in the R.O.C. and at least one of them shall have accounting or financial expertise.
- 33.5** The Directors (including Independent Directors and non-independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules.
- 33.6** Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.
- 33.7** Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee, shall comply with the provisions under R.O.C. Securities and Exchange Act and the regulations issued pursuant to the R.O.C. Securities and Exchange Act applicable to the Company.

### **34. Election of Directors**

- 34.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Shareholders present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 34.2** The election of Independent Directors and non-independent Directors shall be held together and the Director(s) shall be elected by shareholders upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "Cumulative Voting") in the following manner:

- (i) the numbers of votes attached to each voting share held by a shareholder shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
- (ii) the shareholder(s) may vote all or part of their cumulated votes in respect of one or more Independent Director or non-independent Director candidates;
- (iii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
- (iv) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed. The chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.

**34.3** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.

**34.4** If directors are dismissed with reason and less than 5 directors remain, the company shall hold a by-election at the next shareholders' meeting. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.

**34.5** Any corporation (or other legal entity) which is a shareholder shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "Appointed Representative"). The election of an Appointed Representative as a Director is subject to the approval of shareholders in accordance with the provisions of this Article 34.

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

## **35. Removal of Directors**

**35.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the current Directors, the shareholders may at a general meeting re-elect all Directors, whose vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general

meeting commence their office. shareholders present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

**35.1** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a Supermajority Resolution, the shareholder(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, R.O.C., may be the court of the first instance for this matter.

### **36. Vacation of Office of Director**

**36.1** The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) is an Appointed Representative and the corporation (or other legal entity) which appointed such Appointed Representative, serves notice on the Company giving notice to remove such Appointed Representative from the office of Director, such removal shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company;
- (c) dies;
- (d) has been adjudicated bankrupt or the court has declared a liquidation process in connection with such Director, and such Director has not been reinstated to his rights and privileges;
- (e) is automatically discharged from his office in accordance with Article 33.3;
- (f) resigns his office by notice in writing to the Company;
- (g) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to Applicable Law;
- (h) has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
- (i) has committed an offense as specified in the Organized Crime Prevention Act of R.O.C. and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;
- (j) has committed an offense involving fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;
- (k) has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act, and (A) has not started serving the sentence, (B) has

not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;

- (l) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (m) is automatically removed in accordance with Article 36.2; or
- (n) ceases to be a Director in accordance with Article 36.3.

In the event that the foregoing events described in clauses (d), (g), (h), (i), (j), (k) or (l) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

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

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

## **37. Compensation of Directors**

**37.1** The Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three shareholders, one of whom shall be an Independent Director. The professional qualifications of the shareholders of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.

**37.2** The compensation mentioned in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

**37.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

**38. Defect in Election of Director**

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

**39. Directors to Manage Business**

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

**40. Powers of the Board of Directors**

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

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

- (i) present any petition and make any application in connection with the liquidation or reorganization of the Company;
- (j) when issuing shares, pay such commission and brokerage as may be permitted by law; and
- (k) authorize any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

**41. Register of Directors and Officers**

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

- (a) Name; and
- (b) address.

**41.2** The Board of Directors shall, within 30 days after the occurrence of the following events, change the records in the list of directors and managers and the date of occurrence, and notify the company registration office in accordance with the law:

Any change among its Directors and Officers; or  
any change in the particulars contained in the Register of Directors and Officers,

**42. Officers**

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

**43. Appointment of Officers**

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

**44. Duties of Officers**

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

**45. Compensation of Officers**

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

**46. Conflicts of Interest**

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

**46.2** A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the applicable law. If the Company proposes to enter into any transaction specified in Article 27.1 or effect other forms of mergers and acquisitions in accordance with the applicable law, a director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the applicable law. The Company should state the important information related to the interests of the directors and the reasons for and

against such transaction in the Shareholders' Meeting notice. The above content and reasons can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.

- 46.3** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.
- 46.4** Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the shareholders in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.
- 46.5** Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors shall declare the nature of and the essential contents of his interest at the relevant meeting of the Directors.

#### **47. Indemnification and Exculpation of Directors and Officers**

- 47.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any money of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto. However, those caused by person responsible for the fraud, unethical behavior, or violation of Article 47.4 of the Articles shall be exempt.
- 47.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

**47.3** To the extent permitted under the laws of the Cayman Islands, shareholders continuously holding one per cent (1%) or more of the total issued shares of the Company for six(6) months or longer may:

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

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

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

## **BOARD MEETINGS**

### **48. Board Meetings**

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

### **49. Notice of Board Meetings**

The Chairperson may, and the Secretary on the requisition of the Chairperson shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a

Director if, to the extent permitted by Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

**50. Participation in Meetings by Video Conference**

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

**51. Quorum at Board Meetings**

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors. Any of the Directors may appoint another Director to represent him at any meeting of the Board if such Director is unable to do so in person for any cause. If a Director appoints a proxy then for all purposes the presence or vote of the proxy shall be deemed to be that of the appointing Director. The appointed Director may only act as the proxy of one Director only.

**52. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number.

**53. Chairperson of the Board of Directors**

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

**54. Validity of Prior Acts of the Board**

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

## **CORPORATE RECORDS**

**55. Minutes**

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

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

**56 Register of Mortgages and Charges**

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

**56.2** The Register of Mortgages and Charges shall be open to inspection by shareholders and creditors in accordance with the law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose. However, the time available for inspection should be no less than two (2) hours for every business day.

## **57. Form and Use of Seal**

- 57.1** The Seal shall only be used with the authority of the Directors or of a committee of Directors authorized by the Directors; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorized for this purpose by the Directors or the committee of Directors.
- 57.2** Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.
- 57.3** Where permitted by law, the Company may have one or more duplicate Seals and, if the Directors think fit, a duplicate Seal may bear on its face the name of the country, territory, district or place where it is to be issued.

## **TENDER OFFER AND ACCOUNTS**

### **58. Tender Offer**

Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigious and non-litigious agent appointed by the Company pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the shareholders whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the shareholders holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) recommendations to the shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) the types, numbers and amount of the shares of the tender offer or its affiliates held by the Directors and the shareholders holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

### **59. Books of Account**

- 59.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
  - (b) all sales and purchases of goods by the Company; and
  - (c) all assets and liabilities of the Company.

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

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

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

**60. Financial Year End**

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

**Audit Committee**

**61. Number of Committee shareholders**

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

**62. Powers of Audit Committee**

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

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

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee shareholders may be undertaken

upon the consent of two-thirds or more of the shareholders of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

- 62.2** Subject to compliance with the law, before the meeting of Directors resolves any matter specified in Article 27.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval from the shareholders 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 shareholders. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the shareholders, 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 general meeting if approval from the shareholders is not required under the applicable law. Such review results and fairness opinion shall be deemed to have been distributed to the shareholders if the same have been uploaded onto the website designated by the FSC and made available to the shareholders for their inspection and review at the venue of the general meeting.

## **VOLUNTARY WINDING-UP AND DISSOLUTION**

### **63. Winding-Up**

- 63.1** The Company may be voluntarily wound-up in accordance with Article 11.5.
- 63.2** If the Company should be liquidated, the liquidator may, with the approval of a Special Resolution, divide amongst the shareholders 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 of shareholders. The liquidator may, with a special resolution, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the shareholders as the liquidator sees fit, but so that no shareholder shall be compelled to accept any shares or other securities or assets whereon there is any liability.

### **Changes to constitution**

### **64. Changes to constitution**

Subject to the law and to the conditions contained in its Outline of the Articles, the Company may, by Special Resolution, alter or add to its Articles.

### **Reduction of Capital**

### **65. Reduction of Capital**

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

**66. Discontinuance**

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

**OTHER**

**67. Social responsibility**

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

## Zhen Ding Technology Holding Limited

### Rules and Procedures of Shareholders' Meeting

#### Article 1 According to the basis

This policy was established in accordance with Article 5 of "Corporate Governance Best-Practice Principles for Listed Companies" to provide sound governance over the Company's shareholder meetings, and thereby enhancing the supervisory function of shareholders.

#### Article 2 Scope of Review

The rules and procedures for the Company's shareholders' meetings, the content of the major issues, the operating procedures, and the minutes of the meeting, and the matters to be complied with shall be stated in the provisions of these Regulations.

#### Article 3 Convening Shareholders' Meeting

I. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors. Changes to the method for convening the shareholders' meeting of the Company shall require a resolution of the Board of Directors, and the change must be implemented before the meeting notices are sent.

II. The Company shall prepare an electronic file that contains the meeting notice, a proxy form, a detailed description of various agenda items to be acknowledged or discussed during the meeting, and notes on re-election or dismissal of directors or supervisors and post it onto the Market Observation Post System (MOPS) at least 30 days before the annual meeting of shareholders, or 15 days before an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the General Shareholders' Meeting or 15 days before the date of the special shareholders' meeting. However, in the case that this Company's has a paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the General Shareholders' Meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the General Shareholders' Meeting is to be held. The Company shall have the Meeting Handbook and supplementary information for the shareholders' meeting ready for access by shareholders 15 days prior to the shareholders' meeting. The documents shall also be displayed in the Company and in the Company's stock affairs agent and distributed at the shareholders' meeting.

On the day of the Shareholders' Meeting, the Company shall provide the aforementioned Meeting Handbook and supplementary meeting materials to the shareholders in the following ways:

- (I) When convening a physical Shareholders' Meeting, the materials shall be distributed during the meeting.
- (II) When convening a video-assisted shareholders' meeting, the materials shall be distributed during the meeting and the electronic files shall be uploaded to the video conference platform.

- (III) When convening a video shareholders' meeting, the electronic files of the materials shall be uploaded to the video conference platform.
- III. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- IV. Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under the law of R.O.C., shall be set out and the essential contents shall be explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
- V. The reasons for convening a shareholders meeting shall indicate the re-election of directors and the tenure of office of such directors. After re-election is completed at the shareholders' meeting, the tenure dates may not be changed by an extraordinary motion or other method at the same shareholders' meeting.
- VI. Shareholders holding more than 1% of the Company's outstanding shares may submit to this Company a written proposal for discussion in general shareholders meetings. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, If the purpose of the proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed in general meeting. The board of directors may disregard shareholders' proposals if the proposed agenda item involve any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act of the Republic of China.
- VII. Prior to the book closure date before a general shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- VIII. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. Shareholders who have successfully proposed agenda items shall attend the general meeting of shareholders in person or through proxy attendance and participate in the discussion.
- IX. The Company shall notify the proposing shareholders of the outcome of their proposed agenda items before the date the meeting notice is sent. Meanwhile, agenda items that satisfy the conditions listed in this Article shall be included as part of the meeting notice. During the shareholders' meeting, the Board of Directors shall explain the reasons why certain proposed agenda items are excluded from discussion.

Article 3-1 Matters to be included in the meeting notice for Shareholders' Meetings held through video conferencing

When the Company convenes a video shareholders' meeting, the shareholders' meeting convening announcement shall include the following items:

- I. Participation in a video meeting by shareholders and methods for exercising their voting rights.
- II. Troubleshooting methods for problems to the video conference platform or participation through video caused by natural disasters, incidents, or other force majeure, which shall at least include the following:

- (I) In the event of continuing problems that cannot be solved causing the postponement or resumption of the meeting, and the date of the postponed or resumed meeting.
  - (II) Shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting.
  - (III) When the Company convenes a video-assisted shareholders' meeting and the reconvened video conference cannot be conducted, if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at the shareholders' meeting by video is deducted, the shareholders' meeting shall be continued. The shares of shareholders in attendance through video shall be included in the total number of shares in attendance. The shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.
  - (IV) Handling method in the event that results have been declared for all motions and no extraordinary motions have been proposed.
- III. A video shareholders' meeting shall be held and appropriate alternatives shall be stated for shareholders who may have difficulty attending the shareholders' meeting through video.

#### Article 4 Proxy Form

- I. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- II. A shareholder may only execute one proxy and appoint one agent only, which shall be delivered to the Company at least five days prior to the shareholders meeting. If multiple proxies are submitted, the first to be delivered shall prevail. However, exception shall be granted if the shareholder issues a statement to withdraw the previous proxy.
- III. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- IV. Once the proxy has been delivered to the Company and the shareholder wishes to attend the meeting through video call, the concerned shareholder should notify the Company in writing at least two days prior to the shareholders' meeting to rescind the notice for proxy. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5 Principles determining the time and place of a shareholders meeting

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

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

#### Article 6 Preparation of documents such as the attendance book and attendance book for proxy

- I. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies

- (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
- II. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.
  - III. Shareholders and their proxies (referred to as "shareholders" below) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.
  - IV. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
  - V. The Company shall distribute the Meeting Handbook, annual report, attendance card, speech note, voting ballot and other meeting materials to the shareholders attending the meeting. Shareholders shall also be given election ballots where election of directors and independent directors is to take place.
  - VI. When a government or juristic person is a shareholder, they may assign more than one representative to attend the meeting. A juristic person may assign only one proxy representative to attend the meeting on its behalf.
  - VII. In the event of a virtual shareholders' meeting, shareholders who wish to attend by video shall re-register with the Company at least two days prior to the meeting date. The Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

#### Article 7 Chairperson and Acting as the Agent

- I. Shareholders' meetings that are convened by the chairperson shall be chaired by the chairperson. If the chairperson is unable to perform such duties due to leave of absence or any reason, the vice chairperson shall act on the chairperson's behalf. If the vice chairperson is also unavailable or is non-existent, the chairperson may appoint a standing director act on his behalf. If there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- II. If the Managing Director or Director is appointed as Chair, the individual must have an understanding of the company's financial and business status as well as be employed for a duration of more than 6 months. he same shall be true for a representative of a juristic person director that serves as chair.
- III. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairperson of the Board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.
- IV. For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more conveners at the same time, one shall be appointed from among them to chair the meeting.

- V. The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at the shareholders' meeting.

Article 8 Documentation of a shareholders meeting by audio or video

- I. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
- II. The recorded materials mentioned the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- III. In the event of a virtual shareholders' meeting, the Company shall keep records of the shareholders' registration, enrollment, check-in, questions and voting and the Company's vote counting results, and shall continuously and uninterruptedly record and videotape the entire video conference.
- IV. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
- V. In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Shareholders' Meeting Attendance and Voting

- I. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares present is calculated based on the number of shares reported on the attendance book or sign-in card and the video conference platform, plus the number of shares for which voting rights are exercised by written or electronic means.
- II. The chair shall call the meeting to order at the appointed meeting time, and simultaneously announce information in relation to the number of shares that are not entitled to vote and the number of shares in attendance. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.
- III. If no quorum can yet be constituted after the two postponements above but the shareholders in attendance represent more than one-third of the total outstanding shares, shareholders' meeting tentative resolutions can be made in accordance with Paragraph 1 of Article 175 of the Company Act. Shareholders shall be informed of such tentative resolutions and the shareholders' meeting will be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.
- IV. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

## Article 10 Convening and Agenda of Shareholders' Meeting

- I. If the shareholders' meeting is convened by the board of directors, the board of directors shall determine the meeting agenda. Meeting agenda (including extraordinary motions and amendments to the original agendas) shall be voted by poll. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- II. The above rule also applies if the shareholders' meeting is convened by any authorized party other than the Board of Directors.
- III. The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairperson violates the meeting policy by dismissing the meeting when it is not allowed to do so, other shareholders of the board shall immediately assist the attending shareholders to elect another chairperson with the support of more than half of voting rights represented and continue the meeting.
- IV. The Chairman must allow adequate time to explain and discuss the various agenda items, amendments or special motions proposed during the meeting. The Chairman may announce to discontinue further discussion if the issue in question is considered to have been sufficiently discussed, proceed with the voting, and arrange sufficient time to vote.

## Article 11 Shareholder's Speech

- I. Shareholders who wish to speak during the meeting must produce an opinion slip detailing the topics and the shareholder's account number (or the attendance ID serial). The order of shareholders' comments shall be determined by the chairperson.
- II. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. If the contents of the statement do not conform to the contents of the speech note, the contents of the statement shall prevail. Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item unless otherwise agreed by the chairperson. The chairperson may stop shareholders from speaking if they violate the rules or speak outside the agenda item under discussion.
- III. While a shareholder is speaking, other shareholders shall not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.
- IV. In the event a juristic person assigns two or more representatives to attend the shareholders' meeting, only one of the representatives may speak on the same proposal.
- V. After the shareholder has finished speaking, the chairperson may answer to the shareholder's queries personally or appoint any relevant personnel to do so.
- VI. In the event of a virtual shareholders' meeting, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the commencement of the meeting and before the meeting is adjourned. The maximum number of questions for each motion is two, and each question is limited to 200 words. The provisions in Paragraph 1 to Paragraph 5 shall not apply.

## Article 12 Calculation of voting shares

- I. Voting at a shareholders meeting shall be calculated based the number of shares.
- II. The number of shareholder's shares without voting rights are not calculated in the total number of outstanding shares for resolutions in the shareholders' meeting.
- III. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the

Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

- IV. The number of shares held by shareholders who are not permitted to vote shall be excluded from the total voting rights represented in the meeting.
- V. With the exception of trust enterprises or stock affairs agencies approved by the competent securities authority, the votes that may be cast by one proxy representing two or more shareholders shall not exceed three percent of the votes of total shares issued; any votes in excess of that limit shall not be counted.

#### Article 13 Exercise of voting rights

- I. Each share of a shareholder represents one vote, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.
- II. Voting rights shall be exercised electronically and may be exercised in writing during a shareholders' meeting. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
- III. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 5 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. This is not applicable for manifestation of intentions prior to statement revocation.
- IV. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or through video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- V. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- VI. If the Chair consulted all the shareholders present at the meeting, the proposal is deemed to be passed. If there is dissent, the motion shall be voted on by the same basis as the voting method.
- VII. When there is an amendment or alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.

- VIII. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- IX. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- X. When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.
- XI. In the event of a virtual shareholders' meeting, after the chairman announces the close of the voting, the chairman shall conduct a one-time count of the votes and announce the voting and election results.
- XII. When the Company convenes a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting through video according to Article 6 but wish to physically attend the shareholders' meeting shall cancel the registration using the same method of registration two days prior to the shareholders' meeting. Shareholders who miss the cancellation deadline may only attend the shareholders' meeting through video.
- XIII. Shareholders who exercise their voting rights in writing or electronically without revoking their intentions, and participate in the shareholders' meeting through video shall not exercise their voting rights on the original motion, propose amendments to the motion, or exercise their voting rights on the amendments to the motion, except for extraordinary motions.

#### Article 14 Election of Directors and Independent Directors

- I. The election of directors (including independent directors) at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected and the names of those who were not elected and the number of votes they received.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15 Minutes of Shareholders' Meetings

- I. The shareholders' meeting's resolutions should be included in meeting minutes and either signed or stamped with the Chairperson's chop; the meeting minutes shall be distributed to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be disseminated through electronic means.
- II. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- III. The meeting minutes shall detail the date and venue of the meeting, the Chairman's name, the method of resolution, and the proceeding and voting results of various meeting agenda items (including the statistical tallies of the numbers of votes). For election of directors, the number of votes of each candidate shall be disclosed. These minutes must be retained for as long as the company is in existence.

- IV. If the aforementioned method of resolution is consulted by the Chairperson, the shareholders' meeting shall be consulted. If a shareholder has no objection to the proposal, the Company shall record the "Chairperson consulted all the shareholders present, and they shall record the voting method and the percentage of voting resolved and approved." However, the shareholders' meeting shall record the voting method and the percentage of votes when there is dissent against the motion.
- V. For shareholders' meetings convened through video, apart from the matters to be recorded listed above, the meeting minutes shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chairperson and recorder, and the handling and method of natural disasters, incidents or other force majeure that have affected the video conference platform or participation through video.
- VI. When the Company convenes a video shareholders' meeting, apart from the matters stated above, it shall be recorded in the meeting minutes. Appropriate alternatives shall be stated for shareholders who may have difficulty attending the shareholders' meeting through video.

#### Article 16 Public disclosure

- I. During the shareholders' meeting, the Company shall publish information in the meeting regarding the number of shares acquired by acquirers, the number of shares represented by proxies, and the number of shares of shareholders in attendance in writing or electronically using the prescribed format. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- II. When the Company convenes a video shareholders' meeting, the total number of shareholders in attendance shall be disclosed on the video conference platform when the meeting is called to order. If the total number of shares of shareholders in attendance and the total voting rights are counted during the meeting, the same shall apply.
- III. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17 Staff handling affairs of the shareholders' meeting

- I. The meeting personnel handling the General Shareholders' Meeting shall bear identification cards or armbands.
- II. The chairperson may instruct marshals or security staff to help maintain order in the meeting. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- III. The chairperson may stop anyone who attempts to speak using speaker equipment not provided by the Company.
- IV. The chairperson may instruct marshals or security staff to remove shareholders who continue to violate the meeting rules despite being warned by the chairperson.

#### Article 18 Recess and resumption of a shareholders meeting

- I. The chairperson may put the meeting in recess at appropriate times. In the occurrence of force majeure events, the chairperson may suspend the meeting temporarily and resume at another time.

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

Article 19 Information disclosure during video meetings

When the shareholders' meeting is held through video conferencing, the Company shall disclose the voting results and election results on the shareholders' meeting video conference platform immediately after voting ends, and the information shall be available for at least 15 minutes after the Chairperson adjourns the meeting.

Article 20 Location of the chairperson and secretary of the virtual shareholders' meeting

When the Company convenes a video shareholders meeting, the Chairperson and recording personnel shall be in the same location in the country. The Chairperson shall announce the address of the location during the meeting.

Article 21 Handling of loss of signal

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

- I. In the event of a virtual shareholders' meeting, the Chairperson shall announce the matters that do not require postponement or reconvention according to the Regulations Governing the Administration of Shareholder Services of Public Companies in Taiwan when announcing the meeting. If, prior to the close of the meeting announced by the chairman, there is an impediment to participation on the video conference platform or by video for a period of 30 minutes or more due to a natural disaster, incident or other force majeure, the meeting shall be postponed for not more than, or reconvened within, five days. The provisions of Article 182 of Taiwan's Company Act shall not apply.
- II. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.
- III. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
- IV. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
- V. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

- VI. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
- VII. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the laws and regulations in the location of the Company's listing.
- VIII. During the period stated in the latter half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public in Taiwan, Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matters according to the date of the shareholders' meeting postponed or reconvened according to Paragraph 2

Article 22 Handling of digital gaps

When the Company convenes a video shareholders' meeting, appropriate alternatives shall be provided for shareholders who may have difficulty attending the shareholders' meeting through video.

Article 23 Implementation and revision

These Rules shall come into effect upon approval of the shareholders' meeting. The same applies to all subsequent amendments.