

Gourmet Master Co. Ltd.

2018 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA

(Translation)

June 5, 2018

01. MEETING AGENDA

Time: 9:00 a.m., Thursday, June 5, 2018

Place: Shinkansen Grand Hotel

(located at No.29, Gongye 18th Rd., Nantun Dist., Taichung City 408,
Taiwan)

Attendants: All shareholders or their proxy holders

Chairman: Wu Cheng Hsueh, Chairman of the Board of Directors

1. Chairman's Address

2. Report Matter

- (1) To report the business of 2017
- (2) Review report by Audit Committee
- (3) To amend Procedural Rules for the Board of Directors

3. Acknowledgement Matter

- (1) To acknowledge 2017 Business Report and Financial Statements
- (2) To acknowledge the proposal for distribution of 2017 profits

4. Discussion Matter

- (1) Capital increase from surplus earnings and additional paid-in capital
- (2) To Amend Article of Association of the Company

5. Ad Hoc Motions

1. Report Matter

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4. Ad Hoc Motions

02. ATTACHMENT

1. INDEPENDENT AUDITORS' REPORT AND 2017 CONSOLIDATED FINANCIAL STATEMENTS

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,794,862	18	\$ 3,151,391	24
Financial assets at fair value through profit or loss - current (Note 7)	165,148	1	136,070	1
Debt investments with no active market - current (Note 9)	3,702,772	23	2,311,628	17
Notes receivable	1,908	-	1,617	-
Trade receivables (Notes 10 and 31)	356,296	2	295,745	2
Other receivables (Note 31)	136,188	1	98,632	1
Current tax assets	45,527	-	21,113	-
Inventories (Note 11)	768,453	5	706,987	5
Prepayments (Note 17)	464,907	3	274,758	2
Other current assets (Note 17)	17,771	-	17,326	-
Total current assets	8,453,832	53	7,015,267	52
NON-CURRENT ASSETS				
Held-to-maturity financial assets - non-current (Note 8)	29,847	-	32,370	-
Debt investments with no active market - non-current (Notes 9 and 32)	369,301	2	133,893	1
Investments accounted for using equity method (Note 13)	87,930	1	79,270	1
Property, plant and equipment (Notes 14 and 32)	5,592,612	36	5,057,520	38
Investment properties (Notes 15 and 32)	210,422	1	172,243	1
Intangible assets (Note 16)	46,103	-	63,649	-
Deferred tax assets (Notes 5 and 24)	96,418	1	112,860	1
Prepaid equipment (Note 17)	212,640	1	222,631	2
Refundable deposits (Note 17)	464,575	3	481,341	4
Other non-current assets (Note 17)	244,065	2	65,004	-
Total non-current assets	7,353,913	47	6,420,781	48
TOTAL	\$ 15,807,745	100	\$ 13,436,048	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 784,964	5	\$ 187,239	2
Financial liabilities at fair value through profit or loss - current (Note 7)	3,134	-	-	-
Notes payable	1,358	-	823	-
Trade payables (Note 19)	1,272,022	8	1,228,936	9
Other payables (Note 20)	1,559,830	10	1,261,912	9
Current tax liabilities	176,495	1	182,174	1
Receipts in advance (Note 20)	1,230,587	8	966,177	7
Deferred revenue-current (Notes 20 and 26)	129,022	1	81,332	1
Current portion of long-term borrowings (Notes 18 and 32)	238,622	1	-	-
Other current liabilities (Note 20)	45,051	-	26,787	-
Total current liabilities	5,441,085	34	3,935,380	29
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18, 31 and 32)	155,109	1	614,940	4
Decommission, restoration and rehabilitation provisions (Note 20)	119,808	1	85,093	1
Deferred revenue - non-current (Notes 20 and 26)	13,351	-	-	-
Guarantee deposits received (Note 20)	151,534	1	132,901	1
Total non-current liabilities	439,802	3	832,934	6
Total liabilities	5,880,887	37	4,768,314	35
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital	1,629,936	10	1,481,760	11
Capital surplus				
Additional paid-in capital	2,532,950	16	2,681,126	20
Retained earnings				
Reserve	764,883	5	590,779	5
Special reserve	95,072	-	38,098	-
Unappropriated earnings	5,059,852	32	3,893,735	29
Total retained earnings	5,919,807	37	4,522,612	34
Other equity	(227,788)	(1)	(95,072)	(1)
Total equity attributable to owners of the Company	9,854,905	62	8,590,426	64
NON-CONTROLLING INTERESTS	71,953	1	77,308	1
Total equity	9,926,858	63	8,667,734	65
TOTAL	\$ 15,807,745	100	\$ 13,436,048	100

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUE (Note 36)	\$ 23,018,413	100	\$ 22,046,504	100
OPERATING COSTS (Notes 23 and 31)	<u>(9,361,739)</u>	<u>(41)</u>	<u>(9,218,839)</u>	<u>(42)</u>
GROSS PROFIT	<u>13,656,674</u>	<u>59</u>	<u>12,827,665</u>	<u>58</u>
OPERATING EXPENSES				
Selling and marketing expenses	(9,801,235)	(43)	(9,430,557)	(43)
General and administrative expenses	(982,770)	(4)	(1,001,691)	(4)
Research and development expenses	<u>(37,983)</u>	<u>-</u>	<u>(31,799)</u>	<u>-</u>
Total operating expenses	<u>(10,821,988)</u>	<u>(47)</u>	<u>(10,464,047)</u>	<u>(47)</u>
PROFIT FROM OPERATIONS	<u>2,834,686</u>	<u>12</u>	<u>2,363,618</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 23, 26 and 31)				
Other income	291,304	1	246,950	1
Other gains and losses	(152,613)	-	(218,193)	(1)
Finance costs	(25,767)	-	(15,986)	-
Share of profit or loss of associates	<u>22,637</u>	<u>-</u>	<u>19,420</u>	<u>-</u>
Total non-operating income and expenses	<u>135,561</u>	<u>1</u>	<u>32,191</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	2,970,247	13	2,395,809	11
INCOME TAX EXPENSE (Note 24)	<u>(815,297)</u>	<u>(4)</u>	<u>(613,254)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>2,154,950</u>	<u>9</u>	<u>1,782,555</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(90,315)	-	(632,250)	(3)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>(43,929)</u>	<u>-</u>	<u>198,019</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(134,244)</u>	<u>-</u>	<u>(434,231)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,020,706</u>	<u>9</u>	<u>\$ 1,348,324</u>	<u>6</u>

(Continued)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 2,138,075	9	\$ 1,741,051	8
Non-controlling interests	<u>16,875</u>	<u>-</u>	<u>41,504</u>	<u>-</u>
	<u>\$ 2,154,950</u>	<u>9</u>	<u>\$ 1,782,555</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owner of the Company	\$ 2,005,359	9	\$ 1,309,085	6
Non-controlling interests	<u>15,347</u>	<u>-</u>	<u>39,239</u>	<u>-</u>
	<u>\$ 2,020,706</u>	<u>9</u>	<u>\$ 1,348,324</u>	<u>6</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 13.12</u>		<u>\$ 10.68</u>	

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

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company						Other Equity Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings				
				Reserve	Special Reserve					
BALANCE AT JANUARY 1, 2016	141,120	\$ 1,411,200	\$ 2,681,126	\$ 476,860	\$ 38,098	\$ 2,689,963	\$ 336,894	\$ 7,634,141	\$ 58,470	\$ 7,692,611
Appropriation of 2015 earnings										
Reserve	-	-	-	113,919	-	(113,919)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(352,800)	-	(352,800)	-	(352,800)
Share dividends distributed by the Company	7,056	70,560	-	-	-	(70,560)	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(20,401)	(20,401)
Net profit for the year ended December 31, 2016	-	-	-	-	-	1,741,051	-	1,741,051	41,504	1,782,555
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	-	-	-	-	-	-	(431,966)	(431,966)	(2,265)	(434,231)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	-	1,741,051	(431,966)	1,309,085	39,239	1,348,324
BALANCE AT DECEMBER 31, 2016	148,176	1,481,760	2,681,126	590,779	38,098	3,893,735	(95,072)	8,590,426	77,308	8,667,734
Appropriation of 2016 earnings										
Reserve	-	-	-	174,104	-	(174,104)	-	-	-	-
Special Reserve	-	-	-	-	56,974	(56,974)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(740,880)	-	(740,880)	-	(740,880)
Other changes in capital surplus										
Issuance of share dividends from capital surplus	14,818	148,176	(148,176)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(20,702)	(20,702)
Net profit for the year ended December 31, 2017	-	-	-	-	-	2,138,075	-	2,138,075	16,875	2,154,950
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(132,716)	(132,716)	(1,528)	(134,244)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	-	2,138,075	(132,716)	2,005,359	15,347	2,020,706
BALANCE AT DECEMBER 31, 2017	162,994	\$ 1,629,936	\$ 2,532,950	\$ 764,883	\$ 95,072	\$ 5,059,852	\$ (227,788)	\$ 9,854,905	\$ 71,953	\$ 9,926,858

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,970,247	\$ 2,395,809
Adjustments for:		
Depreciation expenses	1,078,060	1,132,998
Amortization expenses	31,724	36,128
Impairment loss recognized on trade receivables	3,934	-
Net gain on fair value change of financial assets at fair value through profit or loss	(18,396)	(17,198)
Interest expense	25,767	15,986
Interest income	(142,700)	(83,135)
Dividend income	(6,000)	(6,600)
Share of (profit) loss of associates	(22,637)	(19,420)
Loss on disposal of property, plant and equipment	63,553	24,352
Loss on disposal of intangible assets	12	334
Impairment loss of non-financial assets	70,710	55,927
Amortization of prepayments for leases	1,992	1,293
Government grants	(4,567)	-
Changes in operating assets and liabilities		
Financial assets held for trading	-	(10,000)
Notes receivable	(291)	4,905
Trade receivables	(64,323)	(32,859)
Other receivables	(5,949)	15,913
Inventories	(68,806)	(75,859)
Prepayments	(190,149)	139,675
Other current assets	(445)	4,198
Other operating assets	1,160	6,785
Notes payable	535	823
Trade payables	43,086	25,787
Other payables	188,508	15,986
Provisions	34,715	12,250
Receipts in advance	264,410	168,928
Deferred revenue	65,608	56,177
Other current liabilities	<u>18,264</u>	<u>3,688</u>
Cash generated from operations	4,338,022	3,872,871
Interest paid	(26,968)	(16,784)
Income taxes paid	<u>(831,934)</u>	<u>(570,641)</u>
Net cash generated from operating activities	<u>3,479,120</u>	<u>3,285,446</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt investments with no active market	(1,626,552)	(1,270,768)
Acquisition of associates	(106)	(561)
Payments for property, plant and equipment	(1,304,206)	(1,019,969)
Proceeds from disposal of property, plant and equipment	41,350	58,153
Increase in refundable deposits	(128,230)	(94,029)

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GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

	2017	2016
Decrease in refundable deposits	136,136	87,936
Payments for intangible assets	(15,004)	(16,386)
Proceeds from disposal of intangible assets	3	1
Increase in other non-current assets	(59,400)	-
Increase in prepayments for equipment	(527,143)	(369,546)
Increase in prepayments for leases	(122,504)	-
Interest received	111,093	54,093
Dividends received from associates	14,083	11,783
Other dividends received	<u>6,000</u>	<u>6,600</u>
Net cash used in investing activities	<u>(3,474,480)</u>	<u>(2,552,693)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,258,795	156,166
Repayments of short-term borrowings	(652,453)	-
Proceeds from long-term borrowings	-	166,546
Repayments of long-term borrowings	(187,806)	(540,810)
Proceeds from guarantee deposits received	46,607	88,069
Refund of guarantee deposits received	(27,381)	(4,564)
Dividends paid to owners of the Company	(740,880)	(352,800)
Dividends paid to non-controlling interests	<u>(20,702)</u>	<u>(20,401)</u>
Net cash used in financing activities	<u>(323,820)</u>	<u>(507,794)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(37,349)</u>	<u>(128,550)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(356,529)	96,409
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,151,391</u>	<u>3,054,982</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,794,862</u>	<u>\$ 3,151,391</u>

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

(Concluded)

會計師查核報告

GOURMET MASTER CO. LTD. 公鑒：

查核意見

GOURMET MASTER CO. LTD.及其子公司（GOURMET MASTER 集團）民國 106 年及 105 年 12 月 31 日之合併資產負債表，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之合併綜合損益表、合併權益變動表、合併現金流量表，以及合併財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開合併財務報表在所有重大方面係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達 GOURMET MASTER 集團民國 106 年及 105 年 12 月 31 日之合併財務狀況，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之合併財務績效及合併現金流量。

查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與 GOURMET MASTER 集團保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對 GOURMET MASTER CO. LTD.及其子公司（GOURMET MASTER 集團）民國 106 年度合併財務報表之

查核最為重要之事項。該等事項已於查核合併財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對 GOURMET MASTER 集團民國 106 年度合併財務報表之關鍵查核事項敘明如下：

各式行銷活動收入認列之正確性

餐飲市場競爭激烈，各式行銷活動推陳出新，集團亦推行集點換購商品、組合套餐及會員積分累積及積分兌換商品等行銷活動，由於新推出行銷方式之會計處理及收入認列之正確性較為複雜，因是，本會計師將銷貨收入認列之正確性列為關鍵查核事項之一。與銷貨收入及客戶忠誠計畫等相關資訊，請參閱財務報表附註四(十四)及二十。

本會計師對於上述所述層面事項已執行之主要查核程序如下：

1. 依照本會計師對其業務及產業的瞭解，對集團各式行銷活動所採用的會計處理方法作適當性評估。
2. 針對帳列折扣比率、銷貨收入及銷貨折扣之季節性變化等數據進行分析，檢視其與行銷活動之關聯性是否合理。
3. 取得會員積分累積及兌換商品資料，以及集團針對預期兌換比率及積分隱含價值之估計方法。測試積分累積及兌換商品資料之正確性，評估預期兌換比率及積分隱含價值之合理性，與歷史數據核對，並據以測試客戶忠誠計畫之發生及銷貨收入認列之正確性。

現金券及儲值卡之管理

GOURMET MASTER 集團之預收款項主要類型為發行現金券及儲值卡，現金券及儲值卡之管理係遵循預付卡銷售及管理辦法，其發放及核銷筆數眾多且涉及許多人工作業，可能造成預收款項認列不適當之情形，且因預收款項金額重大，因是，本會計師將其列為重要查核事項之一。

本會計師對於上述所述層面事項已執行之主要查核程序如下：

1. 取得本年度現金券及儲值卡申請單，抽核申請單經適當核准，並核對現金日報表及銀行對帳單，確認經銷售發行之票券已收款。
2. 抽核驗證票券系統之明細表所列之票券業經流通得以使用。
3. 確認票券系統產生之明細表尚未核銷之餘額與入帳金額之合理性。
4. 核算現金券及儲值卡發行折扣率計算之合理性。

管理階層與治理單位對合併財務報表之責任

管理階層之責任係依照證券發行人財務報告編製準則、經金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報表，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製合併財務報表時，管理階層之責任亦包括評估 GOURMET MASTER 集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算 GOURMET MASTER 集團或停止營業，或除清算或停業外別無實際可行之其他方案。

GOURMET MASTER 集團之治理單位（含審計委員會）負有監督財務報導流程之責任。

會計師查核合併財務報表之責任

本會計師查核合併財務報表之目的，係對合併財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出合併財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估合併財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對 GOURMET MASTER 集團內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。

4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使 GOURMET MASTER 集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報表使用者注意合併財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致 GOURMET MASTER 集團不再具有繼續經營之能力。
5. 評估合併財務報表（包括相關附註）之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。
6. 對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報表表示意見。本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對 GOURMET MASTER 集團民國 106 年度合併財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

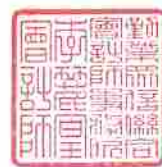
勤業眾信聯合會計師事務所
會計師 池 瑞 全

池瑞全



會計師 李 麗 鳳

李麗鳳



金融監督管理委員會核准文號
金管證審字第 1060023872 號

證券暨期貨管理委員會核准文號
台財證六字第 0930128050 號

中 華 民 國 1 0 7 年 3 月 8 日

GOURMET MASTER CO. LTD. 及其子公司

合併資產負債表

民國 106 年及 105 年 12 月 31 日

單位：新台幣仟元

代 碼	資 產	106年12月31日			105年12月31日		
		金	額	%	金	額	%
	流動資產						
1100	現金及約當現金（附註六）	\$	2,794,862	18	\$	3,151,391	24
1110	透過損益按公允價值衡量之金融資產－流動（附註七）		165,148	1		136,070	1
1147	無活絡市場之債務工具投資－流動（附註九及三二）		3,702,772	23		2,311,628	17
1150	應收票據		1,908	-		1,617	-
1170	應收帳款（附註十及三一）		356,296	2		295,745	2
1200	其他應收款（附註三一）		136,188	1		98,632	1
1220	本期所得稅資產		45,527	-		21,113	-
130X	存貨（附註十一）		768,453	5		706,987	5
1410	預付款項（附註十七）		464,907	3		274,758	2
1470	其他流動資產（附註十七）		17,771	-		17,326	-
11XX	流動資產總計		8,453,832	53		7,015,267	52
	非流動資產						
1527	持有至到期日金融資產－非流動（附註八）		29,847	-		32,370	-
1546	無活絡市場之債務工具投資－非流動（附註九及三二）		369,301	2		133,893	1
1550	採用權益法之投資（附註十三）		87,930	1		79,270	1
1600	不動產、廠房及設備（附註十四及三二）		5,592,612	36		5,057,520	38
1760	投資性不動產（附註十五及三二）		210,422	1		172,243	1
1780	無形資產（附註十六）		46,103	-		63,649	-
1840	遞延所得稅資產（附註五及二四）		96,418	1		112,860	1
1915	預付設備款（附註十七）		212,640	1		222,631	2
1920	存出保證金（附註十七）		464,575	3		481,341	4
1990	其他非流動資產（附註十七）		244,065	2		65,004	-
15XX	非流動資產總計		7,353,913	47		6,420,781	48
1XXX	資 產 總 計	\$	15,807,745	100	\$	13,436,048	100
	流動負債						
2100	短期借款（附註十八及三二）	\$	784,964	5	\$	187,239	2
2120	透過損益按公允價值衡量之金融負債－流動（附註七）		3,134	-		-	-
2150	應付票據		1,358	-		823	-
2170	應付帳款（附註十九）		1,272,022	8		1,228,936	9
2200	其他應付款（附註二十及三一）		1,559,830	10		1,261,912	9
2230	本期所得稅負債		176,495	1		182,174	1
2311	預收款項（附註二十）		1,230,587	8		966,177	7
2313	遞延收入－流動（附註二十及二六）		129,022	1		81,332	1
2320	一年內到期之長期借款（附註十八及三二）		238,622	1		-	-
2399	其他流動負債（附註二十）		45,051	-		26,787	-
21XX	流動負債總計		5,441,085	34		3,935,380	29
	非流動負債						
2540	長期借款（附註十八、三一及三二）		155,109	1		614,940	4
2556	除役、復原及修復成本之長期負債準備（附註二十）		119,808	1		85,093	1
2630	遞延收入－非流動（附註二十及二六）		13,351	-		-	-
2645	存入保證金（附註二十）		151,534	1		132,901	1
25XX	非流動負債總計		439,802	3		832,934	6
2XXX	負債總計		5,880,887	37		4,768,314	35
	歸屬於母公司業主之權益（附註二二）						
	股 本						
3110	普通股股本		1,629,936	10		1,481,760	11
3210	資本公積－發行股票溢價		2,532,950	16		2,681,126	20
	保留盈餘						
3310	法定盈餘公積		764,883	5		590,779	5
3320	特別盈餘公積		95,072	-		38,098	-
3350	未分配盈餘		5,059,852	32		3,893,735	29
3300	保留盈餘總計		5,919,807	37		4,522,612	34
3400	其他權益	(	227,788)	(1)	(	95,072)	(1)
31XX	母公司業主權益總計		9,854,905	62		8,590,426	64
36XX	非控制權益		71,953	1		77,308	1
3XXX	權益總計		9,926,858	63		8,667,734	65
	負 債 與 權 益 總 計	\$	15,807,745	100	\$	13,436,048	100

後附之附註係本合併財務報告之一部分。

董事長：吳政學

經理人：吳政學

會計主管：李翰霖

GOURMET MASTER CO., LTD. 及其子公司

合併綜合損益表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股盈餘為元

代 碼		106年度		105年度	
		金 額	%	金 額	%
4000	營業收入（附註三六）	\$ 23,018,413	100	\$ 22,046,504	100
5000	營業成本（附註二三及三一）	(9,361,739)	(41)	(9,218,839)	(42)
5900	營業毛利	<u>13,656,674</u>	<u>59</u>	<u>12,827,665</u>	<u>58</u>
	營業費用				
6100	推銷費用	(9,801,235)	(43)	(9,430,557)	(43)
6200	管理費用	(982,770)	(4)	(1,001,691)	(4)
6300	研究發展費用	(37,983)	-	(31,799)	-
6000	營業費用合計	(10,821,988)	(47)	(10,464,047)	(47)
6900	營業淨利	<u>2,834,686</u>	<u>12</u>	<u>2,363,618</u>	<u>11</u>
	營業外收入及支出（附註十 四、二三、二六及三一）				
7010	其他收入	291,304	1	246,950	1
7020	其他利益及損失	(152,613)	-	(218,193)	(1)
7050	財務成本	(25,767)	-	(15,986)	-
7060	採用權益法認列之關聯 企業及合資損益之份 額	<u>22,637</u>	<u>-</u>	<u>19,420</u>	<u>-</u>
7000	營業外收入及支出 合計	<u>135,561</u>	<u>1</u>	<u>32,191</u>	<u>-</u>
7900	稅前淨利	2,970,247	13	2,395,809	11
7950	所得稅費用（附註二四）	(815,297)	(4)	(613,254)	(3)
8200	本期淨利	<u>2,154,950</u>	<u>9</u>	<u>1,782,555</u>	<u>8</u>

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代 碼		106年度		105年度	
		金	%	金	%
	其他綜合損益				
8310	不重分類至損益之項目				
8341	換算表達貨幣之兌換差額	(\$ 90,315)	-	(\$ 632,250)	(3)
8360	後續可能重分類至損益之項目				
8361	國外營運機構財務報表換算之兌換差額	(43,929)	-	198,019	1
8300	本期其他綜合損益合計	(134,244)	-	(434,231)	(2)
8500	本期綜合損益總額	<u>\$ 2,020,706</u>	<u>9</u>	<u>\$ 1,348,324</u>	<u>6</u>
	淨利歸屬於				
8610	本公司業主	\$ 2,138,075	9	\$ 1,741,051	8
8620	非控制權益	16,875	-	41,504	-
8600		<u>\$ 2,154,950</u>	<u>9</u>	<u>\$ 1,782,555</u>	<u>8</u>
	綜合損益總額歸屬於				
8710	本公司業主	\$ 2,005,359	9	\$ 1,309,085	6
8720	非控制權益	15,347	-	39,239	-
8700		<u>\$ 2,020,706</u>	<u>9</u>	<u>\$ 1,348,324</u>	<u>6</u>
	每股盈餘 (附註二五)				
9710	基 本	<u>\$ 13.12</u>		<u>\$ 10.68</u>	

後附之附註係本合併財務報告之一部分。

董事長：吳政學



經理人：吳政學



會計主管：李翰霖



GOURMET MASTER CO., LTD. 及其子公司

合併財務報表

民國 106 年 1 月 1 日至 12 月 31 日

單位：新台幣千元

代 碼	歸 屬	於	本	公 積	盈	保	主 權 益				
							股 數 (仟 股)	股 本	資 本	其 他 權 益 項 目	
											留 存 盈 餘
A1	105 年 1 月 1 日 餘 額	141,120	\$ 1,411,200	\$ 2,681,126	\$ 476,860	\$ 38,098	\$ 2,689,963	\$ 336,894	\$ 7,634,141	\$ 58,470	\$ 7,692,611
B1	104 年度盈餘指撥及分配：										
B5	提列盈餘準備金	-	-	-	113,919	-	(113,919)	-	-	-	-
B9	本公司股東現金股利	-	-	-	-	-	(352,800)	-	(352,800)	-	(352,800)
	本公司股東股票股利	7,056	70,560	-	-	-	(70,560)	-	-	-	-
O1	子公司股東現金股利	-	-	-	-	-	-	-	(20,401)	(20,401)	(20,401)
D1	105 年度淨利	-	-	-	-	-	1,741,051	-	1,741,051	41,504	1,782,555
D3	105 年度其他綜合損益	-	-	-	-	-	-	(431,966)	(431,966)	(2,265)	(434,231)
D5	105 年度綜合損益總額	-	-	-	-	-	1,741,051	(431,966)	1,309,085	39,239	1,348,324
Z1	105 年 12 月 31 日 餘 額	148,176	1,481,760	2,681,126	590,779	38,098	3,893,735	(95,072)	8,590,426	77,308	8,667,734
B1	105 年度盈餘指撥及分配：										
B3	提列盈餘準備金	-	-	-	174,104	-	(174,104)	-	-	-	-
B5	本公司股東現金股利	-	-	-	-	56,974	(56,974)	-	-	-	-
	本公司股東股票股利	-	-	-	-	-	(740,880)	-	(740,880)	-	(740,880)
C13	其他資本公積變動：										
	資本公積配發股票股利	14,818	148,176	(148,176)	-	-	-	-	-	-	-
O1	子公司股東現金股利	-	-	-	-	-	-	-	(20,702)	(20,702)	(20,702)
D1	106 年度淨利	-	-	-	-	-	2,138,075	-	2,138,075	16,875	2,154,950
D3	106 年度其他綜合損益	-	-	-	-	-	-	(132,716)	(132,716)	(1,528)	(134,244)
D5	106 年度綜合損益總額	-	-	-	-	-	2,138,075	(132,716)	2,005,359	15,347	2,020,706
Z1	106 年 12 月 31 日 餘 額	162,994	1,629,936	2,532,950	764,883	95,072	5,059,852	(\$ 227,788)	\$ 4,832,064	\$ 71,953	\$ 4,904,017

後附之附註係本合併財務報告之一部分。

董事長：吳政學

經理人：吳政學

會計主管：李翰霖

GOURMET MASTER CO., LTD.及其子公司

合併現金流量表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		106 年度	105 年度
	營業活動之現金流量		
A10000	本期稅前淨利	\$ 2,970,247	\$ 2,395,809
A20010	收益費損項目		
A20100	折舊費用	1,078,060	1,132,998
A20200	攤銷費用	31,724	36,128
A20300	呆帳費用	3,934	-
A20400	透過損益按公允價值衡量金融資產之淨利益	(18,396)	(17,198)
A20900	利息費用	25,767	15,986
A21200	利息收入	(142,700)	(83,135)
A21300	股利收入	(6,000)	(6,600)
A22300	採用權益法認列之關聯企業及合資損益之份額	(22,637)	(19,420)
A22500	處分及報廢不動產、廠房及設備損失	63,553	24,352
A22800	處分無形資產損失	12	334
A23700	非金融資產減損損失	70,710	55,927
A29900	預付租賃款攤銷	1,992	1,293
A29900	政府補助收入	(4,567)	-
A30000	營業資產及負債之淨變動數		
A31110	持有供交易之金融資產	-	(10,000)
A31130	應收票據	(291)	4,905
A31150	應收帳款	(64,323)	(32,859)
A31180	其他應收款	(5,949)	15,913
A31200	存 貨	(68,806)	(75,859)
A31230	預付款項	(190,149)	139,675
A31240	其他流動資產	(445)	4,198
A31990	其他營業資產	1,160	6,785
A32130	應付票據	535	823
A32150	應付帳款	43,086	25,787
A32180	其他應付款	188,508	15,986
A32200	負債準備	34,715	12,250
A32210	預收款項	264,410	168,928
A32210	遞延收入	65,608	56,177
A32230	其他流動負債	18,264	3,688
A33000	營運產生之現金流入	4,338,022	3,872,871

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代 碼		106 年度	105 年度
A33300	支付之利息	(\$ 26,968)	(\$ 16,784)
A33500	支付之所得稅	(831,934)	(570,641)
AAAA	營業活動之淨現金流入	<u>3,479,120</u>	<u>3,285,446</u>
投資活動之現金流量			
B00600	取得無活絡市場之債務工具投資	(1,626,552)	(1,270,768)
B01800	取得採用權益法之投資	(106)	(561)
B02700	取得不動產、廠房及設備	(1,304,206)	(1,019,969)
B02800	處分不動產、廠房及設備價款	41,350	58,153
B03700	存出保證金增加	(128,230)	(94,029)
B03800	存出保證金減少	136,136	87,936
B04500	取得無形資產	(15,004)	(16,386)
B04600	處分無形資產價款	3	1
B06700	其他非流動資產增加	(59,400)	-
B07100	預付設備款增加	(527,143)	(369,546)
B07300	預付租賃項增加	(122,504)	-
B07500	收取之利息	111,093	54,093
B07600	收取關聯企業股利	14,083	11,783
B07600	收取其他股利	6,000	6,600
BBBB	投資活動之淨現金流出	<u>(3,474,480)</u>	<u>(2,552,693)</u>
籌資活動之現金流量			
C00100	短期借款增加	1,258,795	156,166
C00200	短期借款減少	(652,453)	-
C01600	舉借長期借款	-	166,546
C01700	償還長期借款	(187,806)	(540,810)
C03000	存入保證金增加	46,607	88,069
C03100	存入保證金減少	(27,381)	(4,564)
C04500	發放現金股利	(740,880)	(352,800)
C05800	支付非控制權益現金股利	(20,702)	(20,401)
CCCC	籌資活動之淨現金流出	<u>(323,820)</u>	<u>(507,794)</u>
DDDD	匯率變動對現金及約當現金之影響	<u>(37,349)</u>	<u>(128,550)</u>
EEEE	本期現金及約當現金淨(減少)增加數	(356,529)	96,409
E00100	期初現金及約當現金餘額	<u>3,151,391</u>	<u>3,054,982</u>
E00200	期末現金及約當現金餘額	<u>\$ 2,794,862</u>	<u>\$ 3,151,391</u>

後附之附註係本合併財務報告之一部分。

董事長：吳政學



經理人：吳政學



會計主管：李翰霖



03. APPENDIX

1. ARTICLE OF ASSOCIATION OF THE COMPANY

Cayman Islands

The Companies Law

Amended and Restated

Memorandum of Association

and

Articles of Association

of

Gourmet Master Co. Ltd.

Incorporated on the 26th of September 2008
As Adopted by Special Resolution on the 3rd of June 2016



Portcullis TrustNet (Cayman) Ltd.

The Grand Pavilion Commercial Centre
Oleander Way, 802 West Bay Road
P.O. Box 32052, Grand Cayman KY1-1208
Cayman Islands

Tel: 345-946-6145 / +65 6496 0496

Fax: 345-946-6146 / +65 6538 6585

Email: Info.CaymanIslands@portcullis-trustnet.com

www.portcullis-trustnet.com



THE COMPANIES LAW (2013 Revision)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

Gourmet Master Co. Ltd.

(as adopted by Special Resolution dated June 3, 2016)

1. The name of the Company is Gourmet Master Co. Ltd..
2. The Registered Office shall be at the offices of Portcullis TrustNet (Cayman) Ltd., the Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (as amended).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.



7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NT\$8,500,000,000 divided into 850,000,000 ordinary voting shares of a nominal or par value of NT\$10 each.



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THE COMPANIES LAW (2013 Revision)
COMPANY LIMITED BY SHARES

SEVENTH AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Gourmet Master Co. Ltd.

(as adopted by Special Resolution dated June 3, 2016)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2013 Revision) shall not apply to this Company.
2. (a) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:
 - (i) **Subsidiary** Any other person or entity that directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with the Company For the purposes of this definition, “control” (including the terms “controlling”, “controlled by” and “under common control with”), shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the Company, whether through ownership of voting securities, by contract, agency or otherwise;
 - (ii) **Articles** These Articles of Association as from time to time amended by Special Resolution;
 - (iii) **Applicable Law** The laws of the ROC, the rules of the Designated Stock Market, the Law or such other rules or legislation applicable to the Company;
 - (iv) **Approved Stock Exchange** A stock exchange listed in the Fourth Schedule to the Law;
 - (v) **Board** The board of directors appointed pursuant to these Articles and acting at a meeting of directors at which there is a quorum in



	accordance with these Articles;
(vi) capital redemption reserve	a reserve established by the Company for the purpose of section 37(4) of the Law which shall comprise of, inter alia, (i) where shares of the Company are redeemed or purchased wholly out of the Company's profits, amounts by which the Company's issued share capital is diminished in accordance with section 37(3)(g) of the Law on cancellation of the shares redeemed or purchased; (ii) where shares of the Company are redeemed or purchased wholly or partly out of the proceeds of a fresh issue and the aggregate amount of those proceeds is less than the aggregate nominal value of the shares redeemed or purchased, the amount of such difference, unless section 37(3)(c) of the Law applies; (iii) where shares of the Company are redeemed or purchased out of capital and the capital payment for shares redeemed or purchased and cancelled is less than their nominal amount, the amount of such difference, subject to section 37(5)(f) of the Law; subject to any reduction in accordance with section 37(5)(e) of the Law and other provisions of the Law;
(vii) Company	Gourmet Master Co. Ltd.;
(viii) Compensation Committee	the compensation committee formed by the Board pursuant to Article 91 hereof.
(ix) Cumulative Voting	The voting mechanism for an election of Directors as described in Article 61(b);
(x) Designated Stock Market	The Taiwan Stock Exchange Corporation;
(xi) Directors	The directors of the Company for the time being or, as the case may be, the directors assembled as a board;
(xii) Family Relationship within Second Degree of Kinship	In respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparents;



- | | |
|---|--|
| (xiii) Independent Directors | As defined in the Securities and Exchange Act of the ROC and rules and regulations promulgated thereunder; |
| (xiv) Joint Operation Contract | A contract between the Company and one or more person(s) or entity(ies) where the parties to the contract 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 of such contract; |
| (xv) Law | The Companies Law as amended of the Cayman Islands and any amendment or other statutory modification thereof and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force; |
| (xvi) Lease Contract | A contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate a material or substantial part of the business of the Company in the name of such person and for the benefits of such person, and as consideration, the Company receives a pre-determined compensation from such person; |
| (xvii) Litigious or Non-Litigious Agent | A person appointed by the Company pursuant to the Applicable Law as the Company's responsible person in the ROC. |
| (xviii) Management Contract | A contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of the Company and for the benefits of the Company, and as consideration, such person(s) receive a pre-determined compensation while the Company continues to be entitled to the profits (or losses) of such business; |
| (xix) Member | A person who is registered in the Register of Members as the holder of any Share in the Company; |
| (xx) month | a calendar month; |



(xxi) Merger	the merging of two or more companies, one of which is the Company, and the vesting of their undertaking, property and liabilities in one of such company as the surviving company within the meaning of the Law and the Applicable Law;
(xxii) Notice	written notice unless otherwise specifically stated and as further defined in these Articles;
(xxiii) NTD	New Taiwan Dollar;
(xxiv) Ordinary Resolution	a resolution shall be an ordinary resolution when it has been passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a majority of more than one-half of the votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present;
(xxv) Registered Office	The registered office of the Company as provided in Section 50 of the Law;
(xxvi) Register of Members	The register of Members to be kept pursuant to section 40 of the Law;
(xxvii) ROC	The Republic of China;
(xxviii) Secretary	Any person appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant secretary;
(xxix) Seal	The common seal of the Company (if applicable) or any facsimile or official seal (if applicable) for the use outside of the Cayman Islands;
(xxx) Share	An ordinary share of par value NTD10 each in the share capital of the Company;
(xxxi) Special Resolution	A resolution shall be a special resolution when it has been passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a majority of not less than two-thirds of the



votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Law;

(xxxii) Treasury Shares

Shares that were previously issued but were purchased, redeemed, otherwise acquired by or surrendered to the Company which are held by the Company and not cancelled; and

(xxxiii) Audit Committee

A committee of the Board of Directors, comprised solely of Independent Directors of the Company.

- (b) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (c) In these Articles unless the context otherwise requires:-
 - (i) words importing the singular number shall include the plural number and vice-versa;
 - (ii) words importing the masculine gender only shall include the feminine gender;
 - (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not;
 - (iv) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to “in writing” and “written” shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
 - (v) “may” shall be construed as permissive and “shall” shall be construed as imperative.
- (d) Heading used herein are intended for convenience only and shall not affect the construction of these Articles.



- (e) Section 8 of the Electronics Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.

SHARES

- 3. (a) Subject to the provisions, if any, in that behalf in the Memorandum of Association, these Articles (including Article 3(b) in particular), the rules of the Designated Stock Market, and without prejudice to any special rights previously conferred on the holders of existing Shares, any Share may be issued (whether forming part of the original or any increased capital and including fraction shares) with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of Share capital or otherwise, as the Company may from time to time by Special Resolution determine; provided, however, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefit and restriction of such preferred shares and the authorised number of the preferred shares.
- (b) 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 be varied with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class or by proxy at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.
- (c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- (d) Subject to the provisions of Section 37 of the Law and to the extent permitted by the Applicable Law, any Share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company or the holder is liable, to be redeemed.
- (e) Subject to Applicable Law and the requirements of these Articles, the Company may, by a majority vote cast at a meeting of the Board with two-thirds (2/3) or more of the total number of Directors present at the Board meeting, grant such number of employee stock options, and set forth the terms of employee stock option issuance and exercise plan. Employee stock options may be granted to the employees of the Company and/or of the Company's Subsidiary(ies) in accordance with the Applicable Law. A total of 8,500,000 shares among the authorised shares of the Company should be reserved for issuing shares upon an exercise of the employee stock options. The employee stock option shall not be transferrable, except transfer by inheritance or intestacy.



- (f) Subject to Applicable Law and the requirements of these Articles, employee bonus, including bonus to employees of a Subsidiary of the Company, may be granted in the form of new share issuance at the sole discretion of the Board.
 - (g) Subject to these Articles and the rules of the Designated Stock Market, where the Board proposes to issue any shares to the employees of the Company and/or its Subsidiaries with deferred rights or subject to restrictions (whether contractual or otherwise) in accordance with the terms of their issue, such issuance shall be subject to the prior approval of the Members by way of Special Resolution. The amount, price and terms of any such restricted shares shall be determined in accordance with the Applicable Law.
 - (h) No share shall be issued to bearer.
 - (i) Shares of the Company may be issued in uncertificated/scripless form.
 - (j) Notwithstanding any other provision in these Articles, all shares of the Company must be fully paid up upon issue.
4. Every person whose name is entered as a Member in the Register of Members shall be entitled, without payment, to a certificate of the Company specifying the Share or Shares held by him and the amount paid up thereon within thirty (30) days from the date that the name of Member is entered in the Register of Members in respect of such shares acquired by such Member, issue share certificates in accordance with these Articles and deliver the share certificates to the Members, unless the shares of the Company are issued in scripless form. In respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. The Company shall publicly announce in the manner permitted by Applicable Law the time and procedure for Members to collect the share certificates. Where the shares are issued in scripless form and where applicable, the Company shall procure and instruct the Taiwan Depository & Clearing Corporation to make the necessary book entries to reflect the entitlement of the relevant Member in accordance with the Applicable Law.
5. If a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity, as the Directors think fit.
6. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder, but the Company may in accordance with the Law issue fractions of Shares.
7. Subject to the requirements of these Articles (in particular, Article 18) and Applicable Law, the issuance of Shares shall be at the disposal of the Board of Directors as resolved by a majority vote cast at a meeting of the Board with two-



thirds (2/3) or more of the total number of Directors present at the Board meeting, and they may (subject to the provisions of the Law) offer, allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions as the Directors may in their absolute discretion determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law.

REGISTER OF MEMBERS

- 7A. The Board shall cause to be kept in one or more books a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint.
- 7B. The Board may cause to be kept in any country or territory one or more branch registers of such category or categories of members as the Board may determine from time to time and any branch register shall be deemed to be part of the Company's Register of Members. Where a branch register is kept, the Company shall cause to be kept at the place where the principal register of members of the Company is kept a duplicate of any branch register duly entered up from time to time within twenty-one days (or within such other time period required under the Law) after establishing such branch register or making changes to the details recorded in the branch register.
- 7C. Any register maintained by the Company in respect of listed shares, which are defined as the shares of the Company traded or listed on an Approved Stock Exchange, may be kept by recording the particulars set out in section 40 (as amended from time to time) of the Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the relevant Approved Stock Exchange provided that if a listed shares register is maintained, the Company must also maintain, in respect of any shares of the Company which are not listed shares, a separate register of members in accordance with section 40 (as amended from time to time) of the Law.

TRANSFER AND TRANSMISSION OF SHARES

8. All transfers of shares which are in certificated form may be effected by 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, unless the share is fully paid, by or on behalf of the transferee. Without prejudice to the last preceding Article, 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.
- 9A. Any transfer in respect of shares of the Company which are traded or listed on an Approved Stock Exchange may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the relevant Approved Stock Exchange that are or shall be applicable to such shares of the Company which are traded or listed on such an Approved Stock Exchange.
- 9B. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect of it.



- 9C. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists.
- (2) The Board in so far as permitted by any Applicable Law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register of Members to any branch register or any share on any branch register to the Register of Members or any other branch register.
- (3) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register of Members shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register of Members or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant branch registrar, and, in the case of any shares on the Register of Members, at the Registered Office or such other place at which the Register of Members is kept in accordance with the Law.
- 9D. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer relating to shares in certificated form unless:
- (a) the instrument of transfer is in respect of only one class of share;
- (b) the instrument of transfer is lodged at the Registered Office or such other place at which the Register of Members is kept in accordance with the Law or the relevant registration office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (c) if applicable, the instrument of transfer is duly and properly stamped.
- 9E. If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
- 9F. Subject to Article 127, the registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper or any other newspapers or by any other means in accordance with the requirements of the Designated Stock Market to that effect be suspended at such times and for such periods as the Board may determine.
10. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, have the right either to be registered as a Member



in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt person could have made.

11. A person becoming entitled to a Share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF CAPITAL

12. The Company may from time to time by Special Resolution alter the conditions of its Memorandum of Association to increase the share capital by such sum, to be divided into new Shares of such amount, as the resolution shall prescribe.
13. Subject to any direction to the contrary that may be given by the Company in general meeting and these Articles, all new Shares shall be at the disposal of the Directors in accordance with Article 7.
14. The new Shares shall be subject to the same provisions as the Shares in the original share capital..
15. The Company may by Special Resolution:
 - (a) subject to compliance with Applicable Law, consolidate any of its share capital into Shares of larger amount than its existing Shares;
 - (b) subject to compliance with Applicable Law, sub-divide its existing Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of section 13 of the Law; and
 - (c) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
16. The Company may from time to time by Special Resolution, subject to any confirmation or consent required by the Law, reduce its share capital (including by way of cancellation of issued shares) or any capital redemption reserve or other undistributable reserve in any manner permitted by law. Where a reduction of issued share capital is to be effected by way of cancellation of issued shares, the number of issued shares to be cancelled against each Member's shareholding shall be determined on a pro rata basis (rounded up or down to the nearest whole number as determined by the Board) based on the total number of issued shares held by such Member relative to the total number of issued shares.

REDEEMABLE SHARES AND PURCHASE OF SHARES

17. Subject to the compliance with the Applicable Law,
 - (a) Subject to the Law and these Articles and, where applicable, the rules of the Designated Stock Market and/or any competent regulatory authority, the



Company shall have the power to purchase or otherwise acquire its own shares, including a purchase of shares in connection with Article 55 or paragraph (b) below and to accept the surrender of its fully paid up shares without consideration. Unless a purchase is made in connection with Article 55, any purchase by the Company of Shares listed on the Designated Stock Market (other than a purchase that involves a pro rata purchase and cancellation of shares of the Company among all the Members which shall also be subject to approval by way of Ordinary Resolution under Article 17(g)) shall be approved by consent of majority of the Directors present at the meeting attended by two-thirds (2/3) or more of the total number of Directors, and the relevant board resolution approving the purchase and execution thereof by the Company (or lack thereof) shall be reported in the following general meeting of the Members. The Company may make payments in respect of the purchase of its shares out of capital or out of any other account or fund legally available in accordance with the Law.

- (b) Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may be cancelled immediately or held as Treasury Shares in accordance with the Law and on such terms and conditions as determined by the Directors. In the event that the Directors do not resolve that the relevant shares are to be held as Treasury Shares, such shares shall be cancelled.
- (c) No dividend may be declared or paid, and no other distribution (whether in cash, shares, bonus issue or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be declared or paid in respect of a Treasury Share.
- (d) The Company shall be entered in the Register as the holder of the Treasury Shares provided that:
 - (i) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (ii) any 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; and
 - (iii) subject to other provisions in these Articles, Treasury Shares may be disposed of, transferred or cancelled by the Company on such terms and conditions as determined by the Directors.
- (e) Without prejudice to the generality of Article 17(d)(iii) and subject to compliance with the Law, the Company may transfer the Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies), and the Board may impose a lock-up period restricting the transfer of any Treasury Shares transferred to the employees pursuant to this Article 17(e) for a term of up to two (2) years, provided, however, if the Company shall transfer the Treasury Shares to the employees of the Company and/or of the



Company's Subsidiary(ies) for a consideration that is less than the consideration paid by the Company, such transfer of Treasury Shares is subject to approval by the Members by way of a Special Resolution passed at a general meeting of the Members, and the following matters shall be specified with reasonable explanation in the notice of such general meeting of the Members:

- (i) consideration receivable by the Company for the disposal of the Treasury Shares and the applicable discount rate as determined by reference to the consideration paid by the Company as well as calculation basis and an assessment of the reasonableness thereof;
- (ii) number of Treasury Shares subject to the transfer, purpose of the transfer and an assessment of the reasonableness thereof;
- (iii) qualification requirements of employee(s) eligible to purchase such Treasury Shares and the number of Treasury Shares to be purchased by such employee(s); and
- (iv) effects on the share capital, share premium and profits and loss of the Company, including the amount to be booked as expenses of the Company relating to the transfer, the dilution effect on the Company's per share earning, and any adverse effect on the Company's financial circumstances that may be caused by disposing the Treasury Shares for a consideration that is less than the consideration paid by the Company.

The foregoing matters shall not be discussed or submitted for voting or proposed for discussion or approval at a general meeting unless they have been included in the notice of such general meeting.

- (f) The aggregate number of Treasury Shares to be purchased by the employees of the Company and/or of the Company's Subsidiary(ies) pursuant to approvals obtained at one or more general meetings of the Members under paragraph (e) above may not, whether in a single or series of transaction(s), exceed five percent (5%) of the total issued shares of the Company at any time, and the total cumulative amount of shares purchased by any single employee may not, in a single or series of transaction(s), exceed 0.5% of the Company's total number of issued shares at any time.
- (g) Subject to the Law, these Articles and, where applicable, the rules of the Designated Stock Market and/or any competent regulatory authority, the Company may by Ordinary Resolution authorize and approve a repurchase of its own shares from all of the Members, provided that
 - (i) The number of shares to be repurchased pursuant to a repurchase of Shares described in this Article 17 (g) shall be pro-rata among the Members in proportion to the number of shares held by each such Member (rounded up or down to the nearest whole number as determined by the Board) and all repurchased shares shall be cancelled;



- (ii) In connection with a repurchase of shares, the Company may make payments in respect of the repurchased shares either in cash or in kind out of any account or funds legally available therefor. The value and amount of any payment in kind shall be determined and approved at the general meeting of the Members and consented to by the Members receiving such payment in kind in writing as consideration for the repurchased shares, and the Board shall have a ROC certified public accountant issue an appraisal and/or audit report in respect of the value and amount of the payment in kind as consideration prior to the general meeting.

Subject to compliance with the above, any approval granted by the Members in accordance with this Article 17(g) shall be binding on each and every Member(s) irrespective of whether such Member was a Member at the time that such approval was granted or whether such Member had abstained from voting, voted for or against such resolution at the general meeting approving such repurchase of shares of the Company and no further transfer document(s) shall be required from any Member whose shares are subject to the repurchase to effect the transfer of the repurchased shares to the Company for cancellation and/or for implementation of the repurchase of shares authorized in accordance with this Article 17(g), save and except where the repurchase price is payable in kind then the written consent of the relevant Member receiving such payment in kind shall be required.

PRE-EMPTIVE RIGHTS OF EXISTING MEMBERS

- 18. The Company shall, when conducting any share offerings other than issuance of shares resulting from or in connection with any Merger, consolidation, amalgamation, split-off, asset acquisition, group reorganisation, share swap, share subdivision, exercise of share options, warrants or awards granted to employees, conversion of convertible securities or debt instruments or pursuant to resolutions of the Board passed conditionally or unconditionally before the date these Articles became effective, subject to the Employees Pre-emptive Rights (if any), grant to the Members pre-emptive rights (the “**Members Pre-emptive Rights**”) to subscribe for new shares of the Company in proportion respectively to their then shareholdings and advise Members, by public announcement in such manner as may be permitted by the Applicable Law and give notice to the Members of their pre-emptive rights, unless a general meeting has adopted an Ordinary Resolution to waive the pre-emptive rights that the Members are originally entitled to hereunder to such extent as approved. The Company may, if so resolved by the Board, grant to the employees (the “**Employees Pre-emptive Rights**”) of the Company and/or of the Company’s Subsidiary(ies) pre-emptive rights to subscribe for 10% to 15% of the total number of shares offered in the above-mentioned share offering and the Member’s Pre-emptive Rights shall be made subject to the Employee’s Pre-emptive Rights; provided, however, that the Board may impose a lock-up period restricting the transfer of any shares subscribed by the Employees pursuant to this Article 18 up to a term of two (2) years. The Company shall include in its notice to the Members an explanation relating to the share offering and procedures as to how their pre-emptive rights may be exercised, and shall specify the terms and conditions (as determined by the Board in its absolute discretion) in accordance with which the Members may exercise their pre-emptive rights. The Company shall also indicate in the notice that Members’ failure to exercise their pre-emptive right in the manner so specified (including failing to



exercise pre-emptive right prior to the deadline) shall be deemed as waiver to such right. Where an exercise of the pre-emptive rights may result in fractional entitlement, the fractional entitlements of two or more Members may be combined to jointly subscribe for one or more whole new shares or for subscription of whole new shares or for subscription of whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board. Any share not taken up in the share offering may be offered by the Company to the public or for subscription by designated person(s).

19. When the Company conducts a share offering other than issuance of shares resulting from or in connection with any Merger, consolidation, split-off, amalgamation, asset acquisition, group reorganization, share swap, share subdivision, exercise of share options, warrants or awards granted to employees, conversion of convertible securities or debt instruments within the ROC in accordance with the ROC Securities Exchange Act and the ROC Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers, unless the ROC competent authority deems the public offering of the new share unnecessary or inappropriate, ten percent (10%) or any greater percentage as resolved by the Member at a general meeting (if any) of the total number of new shares to be issued shall be made available for public investors by way of public offering within the ROC in accordance with Applicable Law.

GENERAL MEETINGS

20. The Company shall in each year hold a general meeting as its annual general meeting no later than six (6) months after the close of each fiscal year. General meetings other than annual general meetings shall be called extraordinary general meetings. The Board may whenever they think fit, convene an extraordinary general meeting.
21. A general meeting of the Company shall be convened by the Board and held at such time and place as may be determined by the Board. Such meeting shall be convened in the ROC, and may be convened outside the territory of the ROC only if an application has been submitted to the Designated Stock Market for approval within two (2) days after the date the Board resolve to convene such meeting, and such approval has been obtained by the Company.
22. When a general meeting is convened outside the territory of the ROC, the Company shall appoint an agent of stock affairs within the ROC to administer and handle affairs relating to voting by Members at such general meeting. The Members may, by Special Resolution, adopt or amend any rules and procedures, including the Procedural Rules of General Meeting of Members attached to these Articles in Schedule 1 which form part of these Articles, governing the general meetings of the Members. In the event of any inconsistency between the main content of these Articles and Schedule 1, Schedule 1 shall prevail to the extent permitted by Applicable Laws.

REQUISITION OF GENERAL MEETINGS

23. One or more Member(s) of the Company holding three-percent (3%) or more of the total number of the outstanding voting shares of the Company continuously for a period of one (1) year or more may, by filing with the Company a written proposal setting forth therein the subjects for discussion, consideration and approval and the



reasons thereof, request the Board to convene an extraordinary general meeting. If the Board fails to give notice for convening an extraordinary general meeting within fifteen (15) days after receiving such request, the proposing Member(s) may convene an extraordinary general meeting by sending out a notice of general meeting in accordance with Article 24. The Board will not be required to prepare the manual referred to in Article 25 where a general meeting is convened by Member(s). Such meeting shall be held within the ROC and may be convened outside the territory of the ROC only if an application has been submitted to the Designated Stock Market for approval.

PROCEEDINGS AT GENERAL MEETINGS

24. Thirty (30) days' notice for annual general meeting and fifteen (15) days' notice for extraordinary meeting at the least (exclusive of the day on which the notice is given as well as the day on which the meeting is held) specifying the place, the day and the hour of meeting and, in the case of special business, the general nature of that business shall be given in manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meetings, to such persons as are entitled to vote or may otherwise be entitled under the Articles of the Company to receive such notices from the Company; but with the consent of all the Members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice or without notice and in such manner as those Members may think fit.
25. For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare a manual setting out the agenda of a general meeting of Members (including all the subjects and matters to be resolved at the meeting), and shall make public announcement(s) by uploading the content of the manual any other supplemental information to an electronic database designated by the Designated Stock Market at least twenty-one (21) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Such manual shall be distributed to the Members attending the general meeting in person, by proxy or by corporate representative(s)(where the Member is a corporation) at the general meeting.
26. For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare, and make public announcement(s) relating to the notice of the general meeting, proxy instrument, matters for discussion, and where applicable, information relating to the election or removal of directors, by uploading such information to an electronic database designated by the Designated Stock Market at least thirty (30) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Where the Board has resolved to allow Members to exercise their voting power and cast their votes by a written instrument approved by the Board in accordance with Article 49, the Company shall distribute the above information together with the written instrument approved by the Board to the Members.
27. Any Member holding not less than one per cent (1%) of the Company's total and outstanding shares may submit a proposal in writing to the Company for discussion at an annual general meeting. The Company shall give a public notice in such manner



as permitted by Applicable Law at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. A proposal submitted for discussion at an annual general meeting shall not be accepted when the Member submitting such proposal holds less than one cent (1%) of the Company's total and outstanding shares, or where proposal consists of a matter which shall not be resolved by a resolution of the general meeting in accordance with or under the Applicable Laws, or where more than one matter is included proposal, or the proposal is submitted after the expiration of the specified period determined by the Board, in which case, the rejected proposal shall not be discussed at the annual general meeting. Subject to Article 28 and to the extent permitted under the Law, a Member may, if so approved by the chairman of the relevant general meeting, bring forward any matter(s) during a general meeting for the consideration, discussion or approval by the Members at such general meeting, provided such matter(s) is directly related to a matter included in the notice of general meeting.

28. Subject to Article 103, the following matters may not be considered, discussed or proposed for approval at a general meeting unless they have been included in the notice of general meeting with reasonable amount of explanation:
- (a) any election or removal of Directors;
 - (b) any amendment or modification to the Memorandum of Association or these Articles, including any change of the Company name;
 - (c) any dissolution, voluntary winding-up, Merger, consolidation, amalgamation or split-up of the Company;
 - (d) any proposal for the Company to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (e) transfer whole or any substantial part of the Company's business or assets;
 - (f) acquisition of whole of the business or assets of a third-party, which materially affects the operation of the Company;
 - (g) any issuance of equity-linked securities of the Company by way of private placement;
 - (h) to the extent permitted by Applicable Law, any proposal to approve a Director to engage in competitive activities with the Company;
 - (i) upon recommendation of the Board, unless otherwise approved by the Board under Article 103 where applicable, any proposal to distribute cash and/or stock dividends or distributions out of surplus in whole or in part by way of issuance of new shares of the Company;
 - (j) transfer of Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies) for a consideration that is less than the consideration paid by the Company in accordance with Article 17(e) ; and



- (k) issuance of any shares of the Company with deferred rights or subject to restrictions (whether contractual or otherwise) in accordance with the terms of their issue to the employees of the Company and/or its Subsidiaries.
29. Save as herein otherwise provided (in particular, Article 30) and subject to any additional requirements provided for under these Articles, one or more Members holding in the aggregate more than one-half (1/2) of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum for convening a general meeting. If the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting of the Company held during such time.
30. No business shall be transacted at any general meeting unless a quorum of Members is present at the time that the meeting proceeds to business. If a quorum of Members is not present at the commencement time of the general meeting, the chairman of the general meeting may postpone the commencement time of the general meeting not more than twice provided that the total postponement time shall not exceed one hour from the original commencement time. If after two postponements the number of shares represented by the attending Members has not yet constituted more than one-half (1/2) of the total issued shares, the chairman shall announce the dissolution of the Meeting. .
31. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.
32. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall choose one of the members to be chairman.
33. The chairman may adjourn a meeting at which a quorum is present from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for any period exceeding five days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
34. Resolutions made at a general meeting shall be compiled in the form of minutes. The chairman of the meeting shall affix his/her signature or seal to the minutes, which shall be issued to Members within twenty (20) days after the end of the meeting. Minutes may be produced and issued to Members in electronic form. For as long as the Company's shares are listed on the Designated Stock Market, the minutes may be issued to Members by means of a public notice in accordance with the Applicable Law.

VOTES OF MEMBERS

35. Subject to the provisions of the Law, any question proposed for the consideration of the Members at any general meeting shall be decided by way of an Ordinary Resolution, unless such question proposed is required to be decided by a Special Resolution pursuant to the provisions of these Articles or the Law.



36. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. On a poll, every Member present in person or by proxy and entitled to vote shall have one vote for each Share of which he is the holder.
37. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
38. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee or other person in the nature of a committee appointed by that court, and any such committee or other person may vote by proxy.
39. (a) On a poll votes may be given either personally or by proxy.
- (b) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (c) For so long as the shares of the Company are listed on the Designated Stock Exchange, where a Member is a clearing house, depositary, custodian and/or trustee (or its/their nominee(s) and, in each case, being a corporation, "Third Party Holder"), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of these Articles shall be entitled to exercise the same rights and powers on behalf of the Third Party Holder as if such person was the registered holder of the shares of the Company held by the Third Party Holder in respect of the number and class of shares specified in the relevant authorisation."
- (d) To the extent permissible under the laws of the Cayman Islands and these Articles, the qualifications, scopes, methods, procedures, and other details for the Member to exercise the voting rights under the preceding paragraph (c) shall be in compliance with the Applicable Law.
40. (a) To the extent required by the Applicable Law, any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting any of the shares that such Member should otherwise be entitled to vote in person, as a proxy for another Member or corporate representative with respect to the said matter, but all such shares shall be counted in the quorum for the purpose of convening a general meeting pursuant to Article 30; provided that such Member shall not be counted as a person being entitled to vote for such matter(s); the shares of



Members who are required to abstain from voting shall not be counted in the number of votes of Member(s) present in respect of the relevant resolution(s) in respect of which such Member(s) is/are required to abstain from voting. To the extent that the Company has knowledge, any votes cast by or on behalf of such Member in contravention of the foregoing shall not be counted by the Company.

- (b) To the extent required by and subject to the Applicable Law, if a Director, immediately prior to a general meeting, has charged, mortgaged or otherwise created or permitted the creation of encumbrance over more than one-half (1/2) of the total number of shares of the Company held by such Director as of the date of his appointment ("**Original Shareholding**"), such Director shall abstain from voting such number (rounded to the nearest whole number) of shares that exceeds one-half (1/2) of the Original Shareholding, and in respect of such number (rounded to the nearest whole number) of shares that the Director is required to abstain from voting, they shall not be counted in the number of votes of Members present at the meeting but shall be counted in the quorum for the purpose of convening a general meeting pursuant to Article 30. To the extent that the Company has knowledge, any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company.
41. Shares of the Company held by the following persons shall not carry any voting rights and shall not be counted in the total number of outstanding shares of the Company which are entitled to vote for purposes of convening a general meeting pursuant to Article 30:
- (a) Any shares purchased by the Company which are held as Treasury Shares; or
 - (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; or
 - (c) any entity in which the Company together with the holding company of the Company, or with any subsidiary of the holding company of the Company, are legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
42. Subject to Article 103 and any additional and applicable requirements under the Law, the following matters require approval of the Members by way of a Special Resolution:
- (a) any proposal of the Company to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contracts;
 - (b) any proposal to transfer or dispose of the whole or any substantial part of the Company's business or assets;
 - (c) any proposal to acquire the whole of the business or assets of a third-party, which will have material effect on the operations of the Company;
 - (d) upon recommendation of the Board, unless otherwise approved by the Board under Article 103 where applicable, any proposal to distribute dividends or



other distributions in whole or in part by way of issuance of new shares of the Company;

- (e) any Merger, consolidation, amalgamation, spin-off or a splitting of the Company;
- (f) any issuance of equity-linked securities of the Company by way of private placement;
- (g) any proposal for the Company's shares to cease being publicly traded;
- (h) release of the non-compete obligations of the Directors;
- (i) any proposed amendment to the Memorandum or these Articles of the Company;
- (j) granting of employee stock options with an exercise price per share that is lower than the closing price of shares of the Company traded on the Taiwan Stock Exchange as of the grant date;
- (k) transfer of Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies) for a consideration that is less than the consideration paid by the Company in accordance with Article 17(e); and
- (l) issuance of any shares to the employees of the Company and/or its Subsidiaries with deferred rights or subject to restrictions in accordance with Article 3 (g).

43. [intentionally blank]

PROXIES

- 44. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote on behalf of him; provided that a Member, irrespective of how many shares he holds, may only appoint one proxy to represent him and vote on his behalf at a general meeting of the Company.
- 45. The instrument appointing a proxy shall be in writing under the hand of the Member or, if the Member is a corporation, either under seal or under the hand of a director or officer or attorney duly authorized, and shall include such information as maybe required by the Company , including instruction to Member for completion of the proxy, proxy voting instruction and basic information of the Member appointing the proxy and of the proxy appointed or shall be in such form as authorised by the Board in accordance with Article 46. A proxy needs not be a Member of the Company.
- 46. The Board may send out the form of instrument for appointing a proxy either by post or electronic transmission in or by way of note to or in any document accompanying the notice convening the meeting on the same delivery date with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument appointing a proxy shall be delivered to the Registered Office of the Company or at such other place as is specified in the notice for that purpose not less than five (5) days before the time appointed for holding the meeting or adjourned meeting at which



the person named in the instrument proposes to vote and in default, save with respect to the deemed appointment of the chairman as proxy under Article 49, the instrument of proxy shall not be treated as valid PROVIDED that the chairman of the meeting may in his discretion accept an instrument of proxy sent by telex or telefax upon receipt of telex or telefax confirmation that the signed original thereof has been sent.

47. Where multiple instruments of proxy are received by the Company from the same Member, the first written duly executed and valid instrument of proxy received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) appointing a proxy is made in the subsequent duly executed and valid instrument of proxy received by the Company. The Board shall have the final discretion to determine which instrument of proxy shall be accepted where there is any dispute. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given, or the notice of casting vote by way of written notice or electronic transmission pursuant to Article 49; provided that the Company has not been notified in writing of such death, insanity or revocation as aforesaid at its Registered Office or at an address specified in the proxy form, or by written notice from the Member revoking the proxy and expressing his intent to attend the meeting in person or to vote by way of written notice or electronic transmission pursuant to Article 49 at least two (2) days before the date of the general meeting, or adjourned meeting, at which the proxy proposes to vote.
48. Unless otherwise provided in these Articles, the instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
49. To the extent permitted by Applicable Law and notwithstanding any provisions provided in these Articles, the Board may resolve to allow Members not attending and voting at a general meeting in person, by proxy or by corporate representatives (where a Member is a corporation), to exercise their voting power and cast their votes by a written instrument approved by the Board or by way of electronic transmission (as provided under the ROC Electronic Signatures Act) two (2) days prior to commencement of the general meeting, provided that the relevant methods and procedures are specified in the notice of that meeting and complied with by such Member(s). However, if a general meeting is convened outside the territory of the ROC, to the extent permitted by Applicable Law, the Company must allow the Members to exercise their voting rights and cast their votes by way of a written instrument approved by the Board or by way of electronic transmission in the manner referred to in the foregoing. For the avoidance of doubt, those Members voted in the manner mentioned in the foregoing shall, for purposes of these Articles and the Law, be deemed to have appointed the chairman of the general meeting as their proxy to vote their shares at the general meeting in the manner directed by the written instrument or electronic document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the general meeting, and the Members shall be deemed to



have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

50. (a) Where a Member has exercised the voting power and casted its votes by written instrument or by way of electronics transmission intends to attend the meeting physically in person, such Member shall send a separate written declaration of intention to rescind and revoke the votes casted by way of written instrument or electronic transmission to the Company, whichever was previously exercised by the Member, two (2) days prior to the date of the general meeting failing which, the Member shall be deemed to have waived his right to attend and vote at the relevant general meeting in person, the deemed appointment by the Member of the chairman as proxy shall remain valid and the Company shall not count any votes cast by such Member physically at the relevant general meeting.
- (b) Where multiple written instrument or electronic transmission for the same meeting are received by the Company from the same Member, the first written duly executed and valid written instrument or electronic transmission received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) or transmission is made in the subsequent duly executed and valid instrument or transmission received by the Company. The Board shall have the final discretion to determine which written instrument or electronic transmission shall be accepted where there is any dispute.
51. A Member who is deemed to have appointed the chairman as proxy pursuant to Article 49 for purposes of casting his vote by written instrument approved by the Board or by way of electronic transmission shall have the right to appoint another person as its proxy to attend the meeting, in which case the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy under Article 49 and the Company shall only count the vote(s) casted by such expressly appointed proxy at the meeting.
52. Except for an ROC trust enterprise or stock agencies approved by the ROC competent authority, save with respect to the chairman being deemed appointed as proxy under Article 49, when a person acts as the proxy for two or more Members, the total number of voting shares that the proxy may vote shall not exceed three percent (3%) of the total number of voting shares of the Company; otherwise, such number of voting shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting shares entitled to vote on such resolution but shall be included in the quorum. Upon such exclusion, the number of voting shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting shares being excluded and the number of voting shares that such Members have appointed the proxy to vote for.
53. To the extent permissible under Applicable Law and subject to compliance with these Articles and the Law, when a proxy is used by a member in a general meeting, the relevant provisions under the “ROC Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” shall also apply.



ANNULMENT OF RESOLUTIONS

54. To the extent permitted by Applicable Law, where the procedures for convening a general meeting or the proceedings of the general meeting contravene any applicable laws, regulations, ordinances, Applicable Law or these Articles, any Member may submit a petition within thirty (30) days from the date of such general meeting to a competent court having proper jurisdiction, including, the ROC Taipei District Court, if applicable, for annulment of such resolution.

APPRAISAL RIGHT OF DISSENTING MEMBERS

55. Subject to compliance with Applicable Law, a Member who has expressed his dissent, in writing or verbally with a record, before or during a general meeting, with respect to any resolution proposed at a general meeting in relation to the following matter(s), may abstain from exercising his voting rights in respect of such resolution(s) and request the Company to acquire or purchase his share(s) at the then prevailing fair price:
- (a) splitting of part of the business or assets of the Company by way of disposal or otherwise;
 - (b) Merger of the Company;
 - (c) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (d) transfer whole or any substantial part of the Company's business or assets; and
 - (e) acquisition of whole of the business or assets of a third-party, which materially affects the operation of the Company.
56. Subject to the above, the Member shall give written notice to request the Company to acquire or purchase his shares no later than twenty (20) days after the passing of a conditional or unconditional resolution approving any of the above matter(s) at the relevant general meeting, and shall state in such request the class and number of shares that such Member requests the Company to repurchase.
57. If agreement on the price of the shares can be reached between the Member and the Company, the Company shall, subject to compliance with these Articles and the Law, repurchase and pay for the shares within ninety (90) days from the date on which the conditional or unconditional resolution was passed. If no agreement is reached within sixty (60) days of the date on which the resolution was passed, the Member may, within thirty (30) days from the date on which the sixty-day (60) period expires, apply to a competent court for a ruling on the price. Subject to the ruling of the competent court, the Company shall pay judgment interest on the price as determined by the court from the date of expiration of the period referred to above.
58. The payment of repurchase price to the Members shall be made at the same time against the delivery of the relevant share certificate(s) and an instrument(s) of transfer (where the shares are in certificiated form) in respect of the shares subject to such instrument(s) of transfer (where the shares are in certificiated form) for the repurchase.



being duly executed by such Member to the Company, and the date of transfer of such shares shall be the date on which payment is made by the Company to the Member and the Register of Members of the Company shall be updated accordingly.

59. The request of a Member pursuant to Article 55 above shall become ineffective if the Company announces before completion of the purchase under Article 58 that the Company will not proceed with the matters that such Member dissented to under Article 55 or where the Company is prohibited under Applicable Law to repurchase the relevant shares. Where a Member fails to make a request within the period prescribed in Article 56 and 57 above, such Member is deemed to have duly waived his rights under Article 55.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

60. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

DIRECTORS AND OFFICERS

61. (a) The Board shall consist of not less than five (5) directors, at least three (3) of which shall be Independent Directors and the total number of Independent Directors shall not be less than one-fifth (1/5) of the total number of Directors, and the Company shall adopt the candidate nomination mechanism as provided by Article 192-1 of the ROC Company Law for the election of Directors. There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. When a Member is a corporate entity, it may be elected as a corporate Director provided that it shall designate at least one natural person as its authorized representative to act for and on its behalf as a Director. The authorized representative of a corporate Member may also be elected as a Director in its own individual capacity. If a corporate Member designates more than one representatives, all of the representatives are eligible to be elected as Directors in their own individual capacity.
- (b) The term of office for a Director shall not exceed three (3) years and the Director whose term has expired may be eligible for re-election. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for their re-election, their term of office shall be extended to the time when the new Directors elected or re-elected in the next general meeting assume their office.
- (c) A re-election of all Directors prior to the expiry of their term of office of the existing Directors shall be effected by an Ordinary Resolution. If no resolution is passed to approve that the existing Directors who are not re-elected at the general meeting shall remain in office until expiry of their original term of office or such other date as approved by the Members at the



general meeting, such non-re-elected Directors shall vacate their office with effect from closing of such general meeting.

(d) The Board shall be elected or appointed by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as “Cumulative Voting”) in the following manner:-

- (i) on an election of directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of directors nominated for appointment at the general meeting provided that such votes shall only cumulate in respect of such number of directors nominated within the same category (namely, independent or non-independent) of directors to be appointed;
- (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more directors within the same category of directors to be elected;
- (iii) such number of directors receiving the highest number of votes in the same category of directors to be elected shall be appointed; and
- (iv) where two or more directors nominated for appointment receive the same number of votes which exceeds the number of new directors intended to be appointed, there shall be a draw by the such directors receiving the same number of votes to determine who shall be appointed; the chairman shall draw for a director nominated for appointment who is not present at the general meeting.

62. A spousal relationship and/or a Family Relationship within the Second Degree of Kinship may not exist among more than half (1/2) of the members of the Board (the “Threshold”), unless with prior approval by the Designated Stock Market. Where the appointment of any person having a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also nominated for appointment as a director (the “Related Person”) is proposed at a general meeting, only the following persons may be appointed as a Director:

- (i) firstly, such person(s) approved by the Members by way of Cumulative Voting and who is not a Related Person; and
- (ii) secondly, such number of Related Person(s) elected by the Members by way of Cumulative Voting and who receive the highest number of votes from the Members for its appointment among all the Related Persons the appointment of whom would not result in contravention of the Threshold. If the existing composition of the Board fails to satisfy the Threshold, such Director in office being a Related Person shall immediately cease to be a Director of the Company.

63. When the number of Directors falls below five (5) due to the dismissal of a Director or any Director ceases to be a Director of the Company for any reason, including but not limited to vacancy in the office of such Director(s) under Article 80 the Company



shall hold an election to elect new director(s) at the next following general meeting by way of Cumulative Voting. When the number of Directors falls short by one-third (1/3) of the minimum number prescribed by these Articles, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of the fact to hold a by-election of directors.

64. At least one Independent Director shall domicile in the ROC.
65. When the number of Independent Directors falls below two (2) due to the dismissal of an Independent Director or the Independent Director ceases to be a Director for any reason, the vacancy of such Independent Director shall be filled and elected at the next following general meeting. When all of the Independent Directors have been dismissed or cease to be Directors, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to elect for independent directors.
66. The Independent Directors shall possess the requisite professional knowledge and shall maintain independence within the scope of their directorial duties. The Independent Directors may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, and assessment of independence shall be subject to the relevant rules of the Applicable Law.
67. The ordinary remuneration of the Directors shall from time to time be determined by the Board, taking into consideration of the market standards as well as the standards of other companies listed on the Designated Stock Market.
68. No Shareholding qualification shall be required for Directors unless otherwise required by the Company by Ordinary Resolution.
69. The Directors may by resolution appoint one of their number to be managing director or president upon such terms as to duration of office remuneration and otherwise as they may think fit.
70.
 - (a) The Directors may also by resolution appoint a Secretary and such other officers as may from time to time be required upon such terms as to duration of office, remuneration and otherwise as they may think fit. Such Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide. An officer appointed by the Board may not concurrently hold act as an officer of, or conduct by himself or on behalf of another, an enterprise or entity which conducts similar or identical type of business as the Company unless permitted by the Board.
 - (b) An officer shall, in the course of conducting the Company's business, bear the same indemnification liabilities as a Director which are prescribed under these Articles and the Applicable Law, including, but not limited to the liabilities provided under sub-paragraphs (c) and (d) of Article 71, if such officer breaches his/her duties and the Company became liable for any third party compensation or damages.



POWERS AND DUTIES OF DIRECTORS

71. (a) The business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any clause of these Articles, to the provisions of the Law, and to such regulations, being not inconsistent with the aforesaid clauses or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- (b) A Director engaging in any activity, or entering into any contract or transaction, which may be in competition with the business of the Company or which falls within the business scope of the Company, shall disclose in a general meeting the nature, extent and major terms of such activity, contract or transaction, and shall proceed with such activity, contract or transaction only upon approval of the Members at a general meeting by a Special Resolution.
- (c) Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his/her fiduciary duties of loyalty and care, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his/her fiduciary duties. If any Director has made any earnings for the benefit of himself/herself or any third party due as a result of breach of his/her fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such earnings from such relevant Director.
- (d) If a Director has, in the course of conducting the Company's business, violated any applicable laws or regulations which causes the Company to become liable for any compensation or damages to any third person, such Director shall become jointly and severally liable for such compensation or damages with the Company and to the extent that for any reason, such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company for any compensation and/or damages that the Company became liable.
72. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.
73. (a) The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these



Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

- (b) The Directors may delegate any of the powers exercisable by them to a managing director or any other person or persons acting individually or jointly as they may from time to time by resolution appoint upon such terms and conditions and with such restrictions as they may think fit, and may from time to time by resolution revoke, withdraw, alter or vary all or any such powers.
- (c) All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
- (d) No document or deed otherwise duly executed and delivered by or on behalf of the Company shall be regarded as invalid merely because at the date of delivery of the deed or document, the Director, Secretary or other officer or person who shall have executed the same and/or affixed the Seal (if any) thereto as the case may be for and on behalf of the Company shall have ceased to hold such office or to hold such authority on behalf of the Company.

74. The Directors shall cause minutes to be prepared:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the Members of the Company and of the Directors and of committees of Directors; and the chairman of all such meetings or of any meeting confirming the minutes thereof shall sign the same.

75. The Board shall, within seven (7) calendar days after receipt of a copy of the notice by the Company or the Company's Litigious or Non-Litigious Agent of a public tender offer and relevant information to purchase shares of the Company, resolve to recommend the Members to either accept or object the tender offer purchase, and shall disclose the following by way of public announcement in any manner permitted under Applicable Law:

- (i) the type and number of shares currently held by the Directors, any Members, directly or indirectly on behalf of another, with more than ten percent (10%) of the Company's outstanding shares;
- (ii) the recommendation made to the Members on such tender offer purchase, where in the names and reasons of every objecting Director(s) shall be indicated;



- (iii) whether there were major changes to the Company's financial conditions after the delivery of its most recent financial statements, and the contents of such changes; and
 - (iv) the type, number and amount of shares of the offeror or its affiliates held, directly or indirectly on behalf of another, by the Directors or any Member holding over ten percent (10%) of the Company's outstanding shares.
76. In addition to the above, the Board shall keep copies of these Articles, the minutes of prior general meetings, financial statement, Register of Members as well as summary of the bonds and notes issued by the Company at the Company's agent for stock affairs located within the ROC for inspection or duplication by the Members from time to time by showing evidence of such Members' interest involved in the Company specifying the scope of inspection.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

77. Notwithstanding any provision in these Articles to the contrary or any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement), a Director may be removed by way of a Special Resolution of the Members at any time before the expiration of his period office.
78. Any person who falls within any of the following categories shall not be appointed a Director of the Company. If for any reason he becomes a Director, he shall cease to be a Director of the Company forthwith upon the Company having actual notice that a breach of this Article 78 has made without any action required on the part of the Company:
- (a) any person having committed an offense as specified in the ROC Statute of Prevention of Organization Crimes and subsequently adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence has not exceeded five (5) years; or
 - (b) any person having committed an offense involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one (1) year, and the time elapsed after he has served the full term of such sentence has not exceeded two (2) years; or
 - (c) any person having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence has not exceeded two (2) years; or
 - (d) any person having been adjudicated bankrupt, and has not been reinstated to his rights and privileges; or
 - (e) any person having been dishonoured for unlawful use of credit instruments, and the term of such sanction has not yet expired; or



- (f) any person having no or only limited capacity.
79. In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in material violation of applicable laws and/or regulations and/or these Articles, but not removed by the Members in the general meeting, Member(s) holding not less than three percent (3%) of the total number of outstanding shares of the Company may, within thirty (30) days after such meeting, institute a lawsuit in the court for a judgment to remove such Director. Such lawsuit may be submitted to a competent court having jurisdiction, including the Taipei District Court as the court of first instance.
80. The office of Director shall be vacated if the Director:
- (a) is removed from office pursuant to these Articles; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) is found to be or becomes of unsound mind; or
 - (d) resigns his office by notice in writing to the Company; or
 - (e) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of any law or enactment; or
 - (f) if the existing composition of the Board fails to satisfy the Threshold, such Director in office being a Related Person as referred to under Article 62; or
 - (g) if the Director transfers, during the term of office as a director, more than one half of the company's shares being held by the Director at the time the Director is elected; or
 - (h) if the Director, after having been elected and before inauguration of the office of director, transfers more than one half of the total number of shares of the company the Director holds at the time of election; or transfers more than one half of the total number of shares the Director holds within the share transfer prohibition period fixed prior to the convention of a general meeting, then the Director's election as a Director becomes invalid.

PROCEEDINGS OF DIRECTORS

81. The Directors may meet together at any place and time for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes unless a higher approval threshold is required under these Articles.
82. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors; provided, however, that the first meeting of each term of the Board of Directors after an election of Directors shall be convened by the Director who received a ballot representing the highest number of votes at the election of Directors. The Chairman shall, at any time summon a meeting of the Board by given at least



seven (7) days notice in writing to every Director setting forth the general nature of the business to be considered, and such notice may be sent by cable, telex or facsimile transmission message or other form of electronic transmission or communication. In the event of a matter considered to be urgent, a meeting of the Board may be convened on short notice if the quorum required under Article 83 is present.

83. Except as required under Article 3(e), the quorum necessary for the transaction of the business of the Directors at a meeting of the Board shall be a majority of the number of members of the Board. For the purpose of this Article, a proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
84. Minutes of a meeting of the Board shall be signed or sealed by the chairman and secretary of the meeting and copies thereof shall be distributed to all Directors within twenty (20) days of the meeting. The minutes shall be deemed as important files of the Company and be properly kept during existence of the Company. Minutes may be produced and issued to the Directors in electronic form.
85. Any Director or officer may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or officer.
- 86 (a) No person shall be disqualified from the office of Director or to act as a Director's proxy or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or Director's proxy shall be in any way interested be or be liable to be avoided, nor shall any Director or Director's proxy so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established; provided, however, a Director or Director's proxy engaging in any activity, or entering into any contract or transaction, which may be in competition with the business of the Company or which falls within the business scope of the Company, shall disclose in a general meeting the nature, extent and major terms of such activity, contract or transaction, and shall proceed with such activity, contract or transaction only upon approval of the Members at a general meeting by a Special Resolution.
- (b) To the extent required by Applicable Laws, a Director may not vote in respect to any matter, including any contract or proposed contract or arrangement or contemplated transaction of the Company, whether on behalf of himself or as a proxy for another Director, in which such Director bears a personal interest which may conflict with and impair the interest of the Company but the Director shall be counted in the quorum for purposes of convening such meeting.
87. A Director may appoint another Director to act as his proxy to attend and vote on his behalf at meetings of the Directors or any committee of Directors. Such appointment must be made in writing under the hand of the appointor, and may at any time be revoked in like manner, and may be general or for a specified period, or for specified



meetings, or for specified resolutions, and may authorise and direct the appointee to be chairman if the appointor would, if present, be entitled to preside. The form of appointment of proxy may contain directions to the proxy to vote in accordance with instructions given by that Director or, in the absence of such instructions, the proxy may act in his discretion. Notice of every such appointment or revocation must be presented to the meeting of Directors at which the proxy is to be used or first used prior to the commencement of such meeting. A proxy may be given by telex or telefax. A proxy shall ipso facto cease to be a proxy for a Director if his appointer ceases for any reason to be a Director; however, such proxy or any other Director may be re-appointed by the Directors to serve as a proxy.

88. The Chairman of the Board of Directors shall be the chairman of their meetings; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
89. Subject to these Articles, the Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.
90. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present.
91. A Compensation Committee shall be established to assist the Board in discharging its responsibilities related to the compensation and benefit policies, plans and programs of the Company, and the evaluation and remunerations, stock options or other substantive awards given to the Company's Directors and officers. For as long as the shares of the Company are listed on the Designated Stock Market, the professional qualification, scope of authority and other requirements of the members of the Compensation Committee shall be subject to the Applicable Law.

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- (a) To the extent permitted by law, the Directors or a committee of Directors may also meet by video conference and for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (b) When the Directors (being in number at least a quorum) sign the minutes of a meeting of the Directors the same shall be deemed to have been duly held notwithstanding that the Directors have not actually come together.
- (c) The Members may, by Special Resolution, adopt or amend any rules and procedures, including the Procedural Rules for the Board of Directors attached to these Articles in Schedule 2 which form part of these Articles governing the meeting of the Board; In the event of any inconsistency



between the main content of these Articles and Schedule 2, Schedule 2 shall prevail to the extent permitted by Applicable Laws.

SEALS AND DEEDS

93. (a) If the Directors determine that the Company shall have a Seal, the Directors shall provide for the safe custody of the common Seal and the common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors, and in the presence of a Director or of the Secretary or of such other person as the Directors may appoint for the purpose; and that Director or the Secretary or other person as aforesaid shall sign every instrument to which the common Seal of the Company is so affixed in his presence. Notwithstanding the provisions hereof, annual returns and notices filed under the Law may be executed either as a deed in accordance with the Law or by the common Seal being affixed thereto in either case without the authority of a resolution of the Directors by one Director or the Secretary.
- (b) The Company may maintain a facsimile of any common Seal in such countries or places as the Directors shall appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of the Directors and in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile Seal of the Company is so affixed in his presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the common Seal had been affixed in the presence of and the instrument signed by a Director or the Secretary or such other person as the Directors may appoint for the purpose.
- (c) In accordance with the Law, the Company may execute any deed or other instrument which would otherwise be required to be executed under Seal by the signature of such deed or instrument as a deed by a Director or by the Secretary of the Company or by such other person as the Directors may appoint or by any other person or attorney on behalf of the Company appointed by a deed or other instrument executed as a deed by a Director or the Secretary or such other person as aforesaid.

DIVIDENDS AND RESERVE

94. The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Law. The Company shall at all times comply with the provisions of the Law in relation to the share premium account.
95. Subject to Article 103, the Company may by an Ordinary Resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. The Board shall set aside out of the net profits of the Company (if any) for each financial year: (i) a reserve for payment of tax for the relevant financial year; and (ii) an amount to offset all accumulated losses; and after the aforesaid sums are set aside from the profits for such relevant financial year, the Board shall, before recommending any



dividend, set aside ten percent (10%) of the remaining profits of the Company for the relevant financial year as a reserve or reserve(s) which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. Subject to the aforesaid, the Board may distribute the retained earnings for the relevant financial year not set aside for any specific purpose, subject to compliance with the Law, if any, according to the following manner upon approval by the Members:

- (a) up to three percent (3%) as bonus to employees, including employees of a Subsidiary of the Company;
 - (b) up to one percent (1%) as remuneration for the Directors; and
 - (c) no less than thirty percent (30%) of the remaining profits after tax for the relevant financial year to the Members as dividends, provided to the extent that the Company has sufficient available funds, cash dividends shall not be less than ten percent (10%) of the total amount of cash dividends and stock dividends.
96. Subject to the requirement of Article 55, the Company may from time to time pay to the Members interim dividends pursuant to an Ordinary Resolution passed in a general meeting.
97. No dividend shall be paid otherwise than out of profits or out of monies otherwise available for dividend in accordance with the Law.
98. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends on any class of Shares not fully paid shall be declared and paid according to the amounts paid on the Shares of that class, but if and so long as nothing is paid-up on any of the Shares in the Company, dividends may be declared and paid according to the number of Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.
99. If several persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
100. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or in the case of joint holders to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled or such joint holders as the case may be may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled or such joint holders as the case may be may direct.



101. The Company may, at a general meeting and subject to the requirement of Article 28, declare that any dividend is paid wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
102. No dividend shall bear interest against the Company. Any dividend unclaimed by a Member five (5) years after the dividend payment date shall revert to the Company.

CAPITALISATION OF PROFITS

103. The Company may, with the approval by way of Special Resolution of the Members or a majority vote cast at a meeting of the Board with two third (2/3) or more of the total number of Directors present at the Board meeting, capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provision as they think fit for the case of Shares becoming distributable in fractions (including provision whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTS

104. The books of account relating to the Company's affairs shall be kept in accordance with these Articles and the Law and otherwise in such manner as may be determined from time to time by the Company by Ordinary Resolution or failing such determination by the Directors of the Company.
105. The accounts relating to the Company's affairs may be audited by Independent Directors of Audit Committee or any auditor appointed by Independent Directors of Audit Committee.
106. At the close of each fiscal year, the Board shall prepare the business report, financial statements and the surplus earning distribution or loss offsetting proposals for adoption by the annual general meeting. The Board shall, upon adoption by the annual general meeting, distribute to each Member copies of adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting in accordance



with these Articles and Applicable Laws, and for as long as the Company's shares are listed on the Designated Stock Market, such distribution may be effected by means of a public notice in accordance with the Applicable Law.

107. A printed copy of each of the Directors' report(s) or statement(s) to be submitted for adoption by the general meeting shall be kept at the Company's agent for stock affairs located within the ROC for inspection by the Members from time to time at least ten (10) days before the date of the annual general meeting, and laid before the Company at the annual general meeting.

AUDIT COMMITTEE

108. The Company shall establish an Audit Committee.
109. Audit committee shall be composed of all Independent Directors.
110. Number of Audit Committee members shall not be less than three.
111. One of Audit Committee members shall be committee convenor.
112. Committee convener shall convene meetings of the Audit Committee from time to time.
113. At least one of the Audit Committee members shall have accounting or financial expertise.
114. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.
115. Audit Committee shall adopt Audit Committee Charter.
116. Audit Committee Charter shall specify matters which shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board of Directors for resolution.
117. With the exception of approval of annual and semi-annual financial reports, any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two thirds or more of the members of the Board of Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.
118. Where a Director is or maybe in breach of his duties and subject to and if permitted by Applicable Law, one or more Member(s) of the Company holding three-percent (3%) or more of the total number of the outstanding voting shares of the Company continuously for a period of one (1) year or more may request the Independent Directors of Audit Committee, if permitted by Applicable Law, to institute a lawsuit against such Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable, the Taipei District Court as the court of first instance. In case that the Independent Directors of Audit Committee fail to institute a lawsuit against the Director(s) within thirty (30) days of receipt of such request from the Member(s), such one or more Member(s) of the Company holding three-percent (3%) or more of the total number of the outstanding voting shares of the Company



continuously for a period of one (1) year or more, subject to and if permitted by Applicable Law, may initiate a lawsuit against the Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable the Taipei District Court as the court of first instance.

119. To the extent permitted by the Law, in respect of matters relating to or concerning the Audit Committee not otherwise specified in these Articles, the Applicable Law shall apply.

WINDING UP

120. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.
121. If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the Shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

NOTICES

122. Any Notice or document, whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange (if any) or, to the extent permitted by the applicable laws,



by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. 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 and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

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. A notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (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 despatch 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, despatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

This Article 122 shall apply mutatis mutandis to the service of any document by a Member on the Company under these Articles. Notwithstanding anything to the contrary in this Article, for as long as the Company's shares are listed on the Designated Stock Market, any requirement with respect to Notice shall be in compliance with the Applicable Law and the rules of the Designated Stock Market.

123. If a Member has no registered address and has not supplied to the Company an address for the giving of notice to him, a notice addressed to him and advertised in a newspaper circulating in the Cayman Islands shall be deemed to be duly given to him at noon on the day following the day on which the newspaper is circulated and the advertisement appeared therein.



124. A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder named first in the Register of Members in respect of the Share.
125. A notice may be given by the Company to the person entitled to a Share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
126. Notice of every general meeting shall be given in some manner hereinbefore authorised to:
- (a) every Member entitled to vote except those Members entitled to vote who (having no registered address) have not supplied to the Company an address for the giving of notices to them; and
 - (b) every person entitled to a Share in consequence of the death or bankruptcy of a Member, who, but for his death or bankruptcy would be entitled to receive notice of the meeting.

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

RECORD DATE AND CLOSURE PERIOD OF REGISTER OF MEMBERS

127. The Directors shall determine the Members who are entitled to notice of or to vote at meeting of the Members and to receive payment of any dividend, bonus and other benefits. Register of Members shall be closed for sixty (60) days prior to the date the annual general meeting is scheduled to convene and thirty (30) days prior to the date the extraordinary general meeting is scheduled to convene. For the purpose of determining the Members entitled to receive payment of any dividend, bonus and other benefits, the Register of Members shall be closed for five (5) days prior to the date of the declaration of such dividend. Members whose names are recorded in the Register of Members during the above closure period(s) shall be entitled to notice of or to vote at meeting of the Members, or to receive payment of any dividend, bonus and other benefits, whichever the case may be.

AMENDMENT OF MEMORANDUM AND ARTICLES

128. Subject to and insofar as permitted by the provisions of the Law, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association or these Articles in whole or in part; provided, however, that no such amendment shall affect the rights attaching to any class of Shares without the consent or sanction provided for in Article 3(b).

ORGANISATION EXPENSES

129. The preliminary and organisation expenses incurred in forming the Company shall be paid by the Company and may be amortised in such manner and over such period of



time and at such rate as the Directors shall determine and the amount so paid shall in the accounts of the Company, be charged against income and/or capital.

OFFICES OF THE COMPANY

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

INDEMNITY

131. Every Director and officer for the time being of the Company or any trustee for the time being acting in relation to the affairs of the Company and their respective heirs, executors, administrators, personal representatives or successors or assigns shall, in the absence of breach of duties (in which case they shall become liable to indemnify the Company in accordance with Articles 71(c), 71(d), 70(b) and/or 110(a)) or wilful neglect or default, be indemnified by the Company against, and it shall be the duty of the Directors out of the funds and other assets of the Company to pay, all costs, losses, damages and expenses, including travelling expenses, which any such Director, officer or trustee may incur or become liable in respect of by reason of any contract entered into, or act or thing done by him as such Director, officer or trustee or in any way in or about the execution of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims. No such Director, officer or trustee shall be liable or answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss of any of the moneys of the Company which shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any other loss, damage or misfortune whatsoever which shall happen in or about the execution of the duties of his respective office or trust or in relation thereto unless the same happen through the breach of duties (in which case they shall become liable to indemnify the Company in accordance with Articles 71(c), 71(d), 70(b) and/or 110(a)), his own wilful neglect or default.

