

Stock Code : 2929

TOPBI INTERNATIONAL HOLDINGS LIMITED

Handbook of the 2024 Annual Meeting of Shareholders

THE MEETING WILL BE HELD BY PHYSICAL SHAREHOLDERS
MEETING

DATE : 9:00 AM ON JUNE 24, 2024, MONDAY

VENUE : MEETING ROOM , BUILDING B, NO.83, XINHU 1ST
ROAD, NEIHU DISTRICT, TAIPEI CITY, TAIWAN (R.O.C.)

【Notice to readers】

This English-version meeting handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Table of Contents

I . Meeting Procedure-----	2
II . Meeting Agenda-----	4
Report Matters-----	6
Acknowledged Matters-----	7
Matters for Discussion-----	9
Election Matters-----	10
Other Proposals-----	13
Extemporary Motions-----	14
Adjournment-----	14
III. Attachment-----	15
1. 2023 Annual Business Report-----	16
2. 2023 Audit Committee’s Review Report-----	23
3. 2023 Consolidated Financial Statements-----	24
4. Comparison Table for the Amendments to the Regulations Governing Procedure for Board of Directors Meetings -----	37
IV. Appendix-----	39
1. Articles of Association-----	40
2. Rules of Procedures of Shareholders’ Meeting-----	92
3. Rules for Election of Directors-----	104
4. Shareholdings of All Directors-----	107

I. Meeting Procedure

TOPBI INTERNATIONAL HOLDINGS LIMITED

2024 Annual Meeting of Shareholders

Meeting Procedure

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Matters**
- 4. Acknowledged Matters**
- 5. Matters for Discussion**
- 6. Election Matters**
- 7. Other Proposals**
- 8. Extemporaneous Motions**
- 9. Adjournment**

II. Meeting Agenda

TOPBI INTERNATIONAL HOLDINGS LIMITED

2024 Annual Shareholders's Meeting Agenda

The meeting will be held by physical shareholders Meeting

Date : 9:00 a.m., June 24, 2024, Monday

Venue : MEETING ROOM , BUILDING B, NO.83, XINHU 1ST ROAD, NEIHU DISTRICT, TAIPEI CITY, TAIWAN (R.O.C.)

Meeting Program

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Matters
 - I. The company's 2023 Annual Business Report.
 - II. Audit Committee's Review Report.
4. Acknowledged Matters
 - I. Adoption of the company's 2023 Annual Business Report and Financial Statements
 - II. Adoption of the company's 2023 Deficit Compensation Proposal
5. Matters for Discussion :
Amendment to the provisions of the "Regulations Governing Procedure for Board of Directors Meetings" of the Company
6. Election Matters:
Election of Board members for the new term of Board membership
7. Other Proposals:
Release of the prohibition on directors from participation in competitive business
8. Extemporaneous Motions
9. Adjournment

Report Matters

The First Item

Report: The Company's 2023 annual business report.

Description: The Company's 2023 annual business report. Please refer to attachment 1, pages 16.

The Second Item

Report: Audit Committee's Review Report.

Description: The Audit Committee's Review Report. Please refer to attachment 2, pages 23.

Acknowledged Matters

The First Item

Proposed by the Board

Proposal: Proposed to approve the 2023 Business Report and Financial Statements. (Ordinary Resolution).

Description:

- (a) The Company's 2023 Financial Statements have been approved by the resolution of the Board of Directors, were audited by Ms.Chen Kuanghui, CPAs of ShineWing Taiwan and Mr.Kuo Chenyu, CPAs of ShineWing Taiwan and submitted together with the 2023 Business Report to the Audit Committee for review, who issued a written audit report.
- (b) For 2023 Financial Statements and Business Report, please refer to attachment 1, pages 16 and attachment 3, pages 24.

Resolution:

The Second Item

Proposed by the Board

Proposal: Proposed to approve the company's 2023 deficit compensation. (Ordinary Resolution).

Description: In accordance with article 129A Clause 2 (b) of the articles of association of the company, the 2023 deficit compensation table as shown in the following table.

Resolution:

TOPBI INTERNATIONAL HOLDINGS LIMITED
DEFICIT COMPENSATION TABLE
Financial Year 2023



Item	Total Amount	
	(Unit: NT\$)	
Un-appropriated earnings of January 1, 2023		(269,459,186)
Net Loss		(68,208,452)
Reversal of Special Surplus (Minus)		(52,634,616)
Un-appropriated earnings after distribution		(390,302,254)
Note: No cash and stock dividends are planned for the current year		

Chairman : Lien, Chih Chi



CEO : Zhou, Zhi-Hong



CFO : Chen, Chien Wei



Matters for Discussion

Proposed by the Board

Proposal: Amendment to the provisions of the “Regulations Governing Procedure for Board of Directors Meetings” of the Company. (Ordinary Resolution).

Description: To comply with the regulatory requirements of Taiwan, the company hereby proposes to amend the " Regulations Governing Procedure for Board of Directors Meetings ". Please refer to attachment 4 for the comparison table of the revised provisions on page 37.

Resolution:

Election Matters

Proposed by the Board of Directors

Report: Election of Board members for the new term of Board membership.

Description:

- (a) The fifth term of Board membership of the Company shall be elected on 21 January 2021 for a term of three years and shall expire on 20 January 2024. In accordance with the Article 80 of the Articles of Association, it is hereby proposed to be fully re-elected by the shareholders at the 2024 ordinary Meeting.
- (b) In accordance with the Articles of Association of the company, five directors are to be elected for the sixth term of Board membership, including two directors and three independent directors under the candidate nomination system. All independent directors shall form an audit committee, which shall be responsible for the supervision of the company law, the securities and exchange law and other relevant laws and regulations.
- (c) The sixth Board membership of the company shall have a three-year term, starting on 24 June 2024 and concluding on 23 June 2027. The sixth Board membership will commence its term, subsequently as the fifth Board is dismissed.
- (d) Upon examination by the Board meeting on May 13, 2024, the "List of Independent Director Candidates" and the "List of Director Candidates" are approved as shown in the table below.
- (e) Please refer to page 104 of Appendix III for the election of Directors in accordance with the Company's "Rules for the Election of Directors".
- (f) Submission to election.

The results of the election:

List of Independent Director Candidates

Nominees	Education	Experience	Current Position	Reasons for continuing to nominate independent directors who have served 3 consecutive terms	Shares held
Wang Xingui	Master of Economics, School of Economics, Wuhan University	Deputy General Manager and Secretary of the Board of Directors of Wuda Publishing and Media Co., LTD Vice Chairman and Secretary of the Board of Directors of Bailide Group Limited General Manager, Executive Director and Core Member of Quality Control Department of investment bank headquarters, Fortune Securities Limited Executive Director, EMBA Education Center, Wuhan University Senior Manager, Investment Banking headquarters, Dapeng Securities Co., LTD Teacher and lecturer, Department of Business Administration, Hubei University of Technology (formerly Hubei Institute of Technology)	Investment Director, Shenzhen Zhicheng Haiwei Asset Management Co., LTD	No	0
Hsu, Jui-Chien	Department of Law, Taiwan University	Lawyer, Innovatus Law Firm Lawyer, Formosa Transnational Attorneys at Law Firm	Presiding counsel, Rayu Law Firm	No	0
Chang Hsu Hung	Department of History, Taiwan University	General Manager, LIFE TOUTIAO Technology Media Co., Ltd. Chief Investment Officer, Macro Asset Marketing Vice president, Manhattan Hotel Group	Chief Editor, LIFE TOUTIAO Technology Media Co., Ltd. Director, MacroWell OMG Digital Entertainment Co., Ltd.	No	0

List of Director Candidates

Nominees	Education	Experience	Current Position	Reasons for continuing to nominate independent directors who have served 3 consecutive terms	Shares held
TOPWEALTH INTERNATIONAL HOLDINGS LIMITED Representative: Zhou Zhi Hong	MBA of Nanchang University	Chief Operating Officer of Topbi (China) Fashion Corp., Ltd General Manager of Topbi (China) Fashion Corp., Ltd.	General Manager of Topbi International Holdings Ltd. Chairman of Topbi (China) Fashion Corp., Ltd.	No	0
Chen Yu Rong	Chihlee University of Technology	Chairman of Huang Jiun Development Company Limited Chairman of Huang Jiun International Investment Company Limited	Chairman of Huang Jiun Development Company Limited Chairman of Huang Jiun International Investment Company Limited	No	220,000

Other Proposals

Proposed by the Board of Directors

Report: Release of the Prohibition on Directors from Participation in Competitive Business. (Supermajority Resolution)

Description:

- (a) In accordance to Article 209 of Company Act and Article 108 of the Articles of Association of the Company, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (b) The Company's newly elected directors are released from prohibition of participation in competitive business, not limited to investing or operating other companies with the same interest, without prejudice to the Company's interests.
- (c) The contents of director competition are as follows:

Resolution:

Name	Job Title	Concurrent Company	Position
Topwealth International Holdings Limited Representative: Zhou Zhi Hong	Director	Topbi (China) Fashion Corp., Ltd Topbi International Holdings Ltd	Chairman General Manager
Chen Yu Rong	Director	Huang Jiun Development Company Limited Huang Jiun International Investment Company Limited	Chairman Chairman
Wang Xingui	Independent Director	Shenzhen Zhicheng Haiwei Asset Management Co., LTD	Investment Director
Chang Hsu Hung	Independent Director	LIFE TOUTIAO Technology Media Co., Ltd. MacroWell OMG Digital Entertainment Co., Ltd.	Chief Editor Director

Extemporaneous Motions

Adjournment

III. Attachements

【Attachment 1】

TOPBI INTERNATIONAL HOLDINGS LIMITED

2023 Annual Business Report

1. Operating results for 2023

(a) Implementation results of last year's plan

2023 is a year of economic recovery and development after three years of COVID-19 prevention and control. For China's garment industry, the past year has been a year of courage and perseverance in the face of adversity, striving for recovery and development. Affected by the contraction of external demand, weak growth of domestic demand, rising costs and other factors, the production scale of China's garment industry has declined, and the industrial added value has continued to grow negatively. According to the data of the National Bureau of Statistics, the industrial added value of enterprises above designated size in the garment industry decreased by 7.6% year-on-year from January to December 2023, which was 1.2 percentage points narrower than the previous three quarters and 5.7 percentage points deeper than the same period in 2022. Enterprises above designated size completed 19.39 billion pieces of clothing production, down 8.69% year-on-year, which was 0.7 percentage points narrower than the previous three quarters and 5.33 percentage points deeper than the same period in 2022.

Specific to the children's wear industry, although affected by the declining birth rate, the children's wear industry shows a slowing down trend, but the China market still has growing space. With the rise of the younger generation of parents, the children's wear market is paying increasing attention to diverse needs such as diversity, segmentation, functionality, fashion, and emotional value. How to create products that meet the consumer demand of the new era, find new growth points in the fierce market competition, and become the direction that the company must consider in the future.

In the face of external risks and challenges and the downward pressure on performance caused by the overlapping of multiple factors, the company adheres to the work of "steady word first, steady progress, first standing and then breaking", introduces new media and new economic businesses, researches and develops the live broadcast market, and comprehensively promotes the transformation and upgrading of traditional businesses and innovative development. In the gradually improving economic environment, the company has made significant marginal improvement in business, and has made new progress in the fields of scientific and technological innovation of products and businesses, strengthening brand building, and promoting sustainable development. After three years of hard work, the company team has shown strong resilience and vitality, steadily improved business performance, and achieved the planned results of the previous year.

(b) Implementation of the budget

The company's 2023 annual budget has ensured that the funds are used according to the planned purposes, and the company's fixed assets procurement, various marketing expenses and intangible assets expenditure are strictly carried out in accordance with the internal control procedures. The expenses are slightly reduced due to the impact of the epidemic, and the budget implementation is still in good condition.

(c) Financial revenue and expenditure and profitability analysis

In terms of financial performance, the company's consolidated revenue in 2023 was NT\$2,386 million, a 6.28% decrease from its consolidated revenue of NT \$2,546 million in 2022. Net tax loss in 2023 was NT\$68 million, declined 151.37% from a net profit after tax of NT\$133 million in 2022; The loss per share after tax in 2023 was NT\$0.63. (see table below).

Year		2023	2022	Increase (decrease) ratio (%)
Analyze project				
Profit and loss analysis	Operating income (Thousand yuan)	2,386,276	2,546,156	-6.28%
	Operating margin (Thousand yuan)	392,323	292,883	33.95%
	After-tax profit (loss) (Thousand yuan)	-68,208	132,767	-151.37%
Profitability	Net profit rate (%)	-2.86%	5.21%	-154.89%
	EPS (yuan)	-0.63	1.22	-151.64%

(d) Research and development

China's children's wear industry faces multiple opportunities and challenges in 2023. Consumers' demand for high-quality, personalized and environmentally friendly children's clothing is growing, while industry competition is intensifying, regulatory requirements are increasing, and changes in the operating environment are putting higher requirements on enterprises. Children's clothing companies need to constantly innovate and adapt to change to remain competitive and sustainable. The company continues to work with academic institutions and commercial institutions such as Minjiang University, Fuzhou University, Hangzhou Kualang Network Technology Co., Ltd. and Fujian Lebaishi Culture and Media Co., Ltd. to conduct research on the impact of new media economic formats such as live broadcast economy on clothing sales, and explore integration and development under the new business environment. In addition, the company's R & D center still maintains cooperation with suppliers to study the flexible supply chain system to achieve "flexible"

supply chain manufacturing, and achieve controllable process, flexible manufacturing, reliable price and reliable quality. Last autumn and winter season, flu raging, with antibacterial, antibacterial, antiviral, health care and other functions of children's clothing products have also received more and more attention. Scientific and technological fabrics have become the focus of competition in the children's wear industry, and it is also the new wealth code of brand enterprises, so the company will continue to invest financial, material and manpower to promote scientific and technological fabric research and development projects to further enhance the competitiveness of the brand.

2. A summary of the business plan for 2024

(a) The company's current business policy

In order to adapt to the increasingly competitive China children's wear market, the company will strive to promote the following business policies in 2024.

1. Strengthen brand building

Brand culture: As a local children's wear brand that has operated for more than 20 years, the company will establish emotional connection with consumers through clear brand positioning and correct values, enhance the connotation culture of the brand and to enhance the intrinsic value and market competitiveness of the brand. Beginning in 2024, the company will try to cooperate with other brands or well-known personalities to enhance brand awareness and influence.

2. Maintain product innovation and personalization

Design innovation: According to market trends and consumer feedback, the company will encourage designers to continue to introduce new designs and strive to put into production to keep consumers fresh for Topbi products.

Personalized customization: In the future, the company will launch customized services to meet the individual needs of consumers according to consumer demand, in order to meet the needs of consumers for characteristics and uniqueness.

3. Focus on sustainable development

Green production: The company will put forward higher production requirements for the supply chain, and respond to consumer demand for green products by using sustainable fabrics and adopting environmentally friendly production processes, thus enhancing the green added value of Topbi brand.

Social responsibility: The company has always been actively involved in public welfare activities and charitable donations. In 2024, the company will still regard social responsibility as an important business policy, and strive to invest in the return of society and demonstrate the social responsibility of Topbi.

4. Multi-channel layout marketing

Full Channel Marketing: The Company will continue to drive agents to leverage full channel marketing strategies that combine online and offline to provide consumers with a seamless shopping experience.

Social media operation: Social media operation is an important direction to strengthen marketing at present. The Company will further strengthen content marketing and interaction on social media platforms such as Wechat, Weibo and Tiktok, and build Topbi's brand reputation on new media platforms.

5. Fine operation management

Data-driven: In prevailing AI technology, the company will conduct in-depth research by using big data and AI technology for market analysis and consumer behavior prediction, optimize inventory and pricing strategies, and refine data strategies to know operation management.

Supply chain Management: At the supply chain end, the company will also improve the transparency and flexibility of the supply chain through technological means to further reduce operating costs.

In developing its business strategy for 2024, the Company has fully taken into account the domestic and international economic environment, the evolution of consumer behavior, technological advances and changes in the competitive landscape within the industry. Through continuous market research and flexible strategy adjustment, the company will maintain its competitive advantage in the fierce market competition.

(b) Expected sales volume and basis

The three-year epidemic has caused serious impact on the production, sales and industrial chain supply chain of the garment industry. However, benefiting from the positive factors such as consumption upgrading, the rise of the new middle class and the national policy of supporting fertility and reducing the burden of family rearing, it is believed that in the post-epidemic era, China's children's wear market will return to the track of rapid growth. The company will continue to strengthen product development and brand building, increase online marketing and channel expansion, and increase the construction of e-commerce live broadcasting business and community private domain. The company plans to rely on the Internet, through the deep integration of "online services, offline experience and modern logistics", to achieve a comprehensive upgrade of the production, circulation and sales process of commodities. In the future, in terms of sales channels, the company can not only rely on stores to display goods, provide more convenient sales, and compensate for online traffic, but also obtain sales data to guide production through the e-commerce channels of agents. Therefore, the company is cautiously optimistic about the 2024 operating sales expectations, is expected to continue to adopt the "steady progress, open source and throttle" business strategy in this year, fully rely on the market data feedbacks from agents to guide the production of orders, at the same time, continue to steadily increase the shipping price to ensure gross profit, and strive to achieve double growth in revenue and profit compared with 2023.

(c) Important production and marketing policies

Regarding the important production and marketing policies of the company in 2024, continue to maintain the four important production and marketing policies of the previous year, namely: first,

strengthen the transformation of agents into online e-commerce sales; Second, continue to reform of the logistics system and improve the efficiency of Topbi's warehousing logistics; Third, introduce new media and new economic businesses, including live e-commerce; Fourth, supply chain flexible management reform. In addition, the company's business focus in this year is to accelerate the new media business development of its subsidiary Fujian Topbi Network Technology Co., LTD., and the planning focus is on the following aspects.

1. Deepen content innovation: The core of entertainment live broadcasting is content. The company considers innovating live streaming formats and content with partners, such as themed events, interactive games, celebrity guests, etc., to provide a unique and engaging viewing experience.
2. Strengthen community building: Community is an important part of live broadcasting platform. By building and maintaining an active community can increase user engagement and loyalty.
3. Expand partnerships: Find more business partners similar to Asia Lion, such as entertainment companies, music producers, film producers, etc., to expand the content library and audience base, and cultivate a more stable fan base.
4. Upgrade technical capabilities: Invest in the necessary research and development, optimize the quality of live streaming, provide a stable live streaming environment, and develop new interactive features, such as virtual gifts, bullet comments, etc.
5. Train the team of anchors: Anchors are the soul of live broadcasting, and regular anchor training is needed to improve the performance skills and interactive abilities of anchors. Meanwhile, attention should be paid to the training of new anchors.
6. Data-driven decision-making: By collecting and analyzing user data to understand user behavior and needs in order to optimize good content and strategy.
7. Develop diversified business models: In addition to advertising and virtual gifts, other business models can also be considered, such as paid viewing, brand cooperation, online and offline activities, etc., and gradually develop to the cash model.

3. Future company development strategy

In the post-epidemic era, affected by the decline in the birth rate and the downturn in the consumer market environment, children's clothing companies are also facing such as hard to return in inventory, rising procurement costs of surface accessories and rising labor prices. With the gradual acceleration of the process of survival of the fittest in the industry, the adjustment of the children's clothing industry has also begun to develop.

In a new round of deep adjustment cycle, some children's enterprises are difficult to sustain, but there are still enterprises developing well. According to data show that China has nearly 460,000 children's clothing related enterprises, of which wholesale and retail accounted for 94%. There are many market participants, but there are not many well-known brands that are truly enduring. From the perspective of industry development, companies that can stand out and survive through the cycle

must have the ultimate product power, sufficient financial resources and forward-looking strategies.

Topbi has been deeply engaged in the China children's wear market for more than 20 years, with profound brand heritage and cultural accumulation. Topbi products are still competitive among similar products in China, and gradually introduce new media services such as live streaming.

For the future operation, the company hopes not only to consolidate the existing children's wear market and continue to build a model for China children's wear brands, but also to inject new vitality into the long-term development of Topbi brand and return to the peak of brand development with the support of new media business.

(d) Affected by external competition environment, regulatory environment and overall operating environment

2024 is the first year for the company to fully get rid of the impact of the epidemic and strive towards the goal of rejuvenation. In the external competitive environment, the company faces the following impacts:

1. Market participants: The children's wear market in China is highly competitive and there are many participants, including domestic and foreign brands, designer brands, and private brands of e-commerce platforms. In terms of brand competition, international brands such as Zara Kids and H&M Kids and China domestic brands such as Bala Bala and Aner have a greater impact on the company's market.
2. Market segmentation: The children's wear market continues to be segmented, in addition to the traditional segmentation according to the age group (baby wear, preschool wear, school age wear, etc.), according to the product type (daily wear, sportswear, festival or occasion wear, etc.), but also according to the functional segmentation, the company will continue to study the segmentation field and find its own segmentation positioning in the competition.
3. Price competition: Price is an important factor in external competition, especially in the competition for the middle and low end of the market. The high-end market pays more attention to brand image and product quality, so the company will continue to adopt a competitive pricing strategy in terms of product price positioning.
4. Product innovation: The improvement of consumer demand for children's wear safety and functionality, the market continues to emerge with innovative design, new materials and environmental protection concept of products, consumer demand the company's product innovation put forward more and more challenges.
5. Marketing channels: Online channels and social media marketing are becoming more and more important in the children's wear industry, and brands need to maintain a high level of activity and interaction on e-commerce platforms and social media, requiring companies to continue to invest a lot of effort in marketing channels to ensure pipeline competitiveness.

In terms of the impact of the regulatory environment on the Company, the Company will pay special attention to the following aspects:

1. Product safety standards: China has strict requirements for the safety of children's wear

products, including GB 31701-2015 "Infant and children's textile product safety Technical specifications" and other standards, which specify the requirements of physical safety, chemical safety and other aspects of the product, the company will continue to strictly implement the relevant safety standards, even if part of the cost is sacrificed, but also must strictly adhere to product safety.

2. Protection of consumer rights and interests: China's laws protect the rights and interests of consumers, requiring children's wear products to clearly label product information, including ingredients, washing methods, etc., and protect consumers' rights of return and exchange. Therefore, the company strictly abides by domestic laws and regulations in protecting consumer rights and interests to ensure a thoughtful and meticulous consumer experience.
3. Environmental protection laws and regulations: The China government attaches more and more importance to environmental protection and has clear legal requirements for water pollution and waste treatment in the production process. In the production of Topbi products, the company has put forward more stringent requirements on the supply chain.

In general, the children's clothing industry, as one of the important subdivisions of China's textile and clothing industry, occupies a pivotal position in the national economy. With the continuous improvement of national living standards and the continuous improvement of social and family attention to the next generation, the proportion of infant and child consumption expenditure in the total household consumption expenditure has increased year by year. Therefore, China's children's wear market is entering a stage of rapid development, and the continuous expansion of the market size and rapid market growth rate provide a rare historical opportunity for the development of children's wear enterprises. In addition, the consumption concept of the young generation of parents continues to change, will accelerate the replacement of local children's clothing brands for foreign children's clothing products, and the future market size will continue to expand. Therefore, the company will continue to implement the work of "stability is the top priority, seeking progress while maintaining stability", actively implement the operating principle of "increase income and reduce expenditure", implement channel transformation, introduce new economy and accelerate the development strategy of e-commerce and logistics park, and create greater value for shareholders.

Chairman : Lien, Chih Chi



CEO : Zhou, Zhi-Hong



CFO : Chen, Chien Wei



【Attachment 2】

Topbi International Holdings Limited

Audit Committee's Review Report

The Board of Directors has prepared and submitted the business report and consolidated financial statements of the company for the year of 2023, proposal on deficit compensation for the year 2023, in which the consolidated financial statements have been audited by authorized accountants Chen Kuanghui and Kuo Chenyu behalf of ShineWing CPAs and review report is accordingly issued. The above business reports consolidated financial statements and deficit compensation have been examined and deemed as fairly presented by the Audit Committee. This Review Report is duly submitted in accordance with Article 14, section 4 of the Securities and Exchange Act and Article 219 of the Company Act. Submission for perusal.

Topbi International Holdings Limited

Convenor of the Audit Committee: Lai Tiao Tsan



Date: March 15, 2024

Independent Auditors' Report

TOPBI International Holdings Limited Company

Opinion

We have audited the accompanying consolidated balance sheets of TOPBI International Holdings Limited Company (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditors' responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Cash and cash equivalents

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies of cash and cash equivalents; and please refer to Note 6(1) to the consolidated financial statements for the details of cash and cash equivalents accounts.

As of December 31, 2023, the balances of cash and cash equivalents of the Group is \$1,063,137 thousand, accounting for 26% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the cash and cash equivalents as the key audit matter for the year.

Our audit procedures included, but are not limited to, obtaining the list of bank deposits balances in the account of the Group, and verifying them to the bank statements; checking the receipt and payment vouchers of major cash and cash equivalents transaction; to check all bank confirmations whether it matches the bank deposit balance in the account, and check whether there are restrictions on bank deposits.

Financial assets at amortized cost

Please refer to Note 4(7) to the consolidated financial statements for the accounting policies of financial assets at amortized cost; and please refer to Note 6(2) to the consolidated financial statements for the details of financial assets at amortized cost.

Independent Auditors' Report (Continued)

As of December 31, 2023, the balances of financial assets at amortized cost of the Group is \$1,514,450 thousand, accounting for 37% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the financial assets at amortized cost as the key audit matter for the year.

Our audit procedures included, but were not limited to, obtaining details of the balance of financial assets amortized at cost (fixed deposits) in the accounts of the Group, and checking to the bank confirmation; to assess whether it is consistent with the balance of the fixed deposit in the account, and check whether the fixed deposit is restricted.

Revenue recognition

Please refer to Note 4(22) to the consolidated financial statements for the accounting policies of revenue recognition; and please refer to Note 6(21) to the consolidated financial statements for the details of revenue.

The main operating income of the Group is the sale of its private label children clothing. The Group mainly fulfill the performance obligations at the point of time when the goods are delivered, and the sales revenue will be recognized at that point of time. As of December 31, 2023, the portion of operating income which are outstanding for collection as the key audit matter for the year.

The audit procedures performed by us include the understanding of recognition process of sales revenue transaction of the Group, and the assessment of whether the revenue recognition meets the requirements of the International Financial Reporting Standard No. 15 "Revenue from Contracts with Customer"; and execute the test whether the relevant control points of the sales and collection cycle are valid; obtain the sales details and check the general ledger, and select the vouchers of relevant sales transaction; obtain the audit confirmation and review the subsequent collection of payment after balance sheet date, in order to confirm whether there are major abnormalities in sales revenue.

Independent Auditors' Report (Continued)

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

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

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

Those charges with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

Independent Auditors' Report (Continued)

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

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

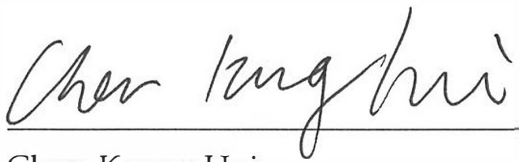
Independent Auditors' Report (Continued)

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the footnote disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group. We remain solely responsible for our audit opinion.

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

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

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



Chen, Kuang-Hui



Kuo, Chenyu

For and on behalf of ShineWing CPAs

March 15, 2024

Taipei, Taiwan

Republic of China

Notice to Readers

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

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

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated balance sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

		December 31,			
Assets	Notes	2023	%	2022	%
Current assets					
Cash and cash equivalents	6.(1)	\$ 1,063,137	26	\$ 1,263,907	29
Financial assets at amortized cost - current	6.(2)	1,514,450	37	1,542,800	37
Accounts receivable, net	6.(3)	984,580	24	932,667	21
Other receivables	6.(4)	7,046	-	7,686	-
Current income tax assets		-	-	21,302	-
Inventories	6.(5)	7,566	-	6,517	-
Prepayments	6.(11), 7	266,553	7	280,946	6
		3,843,332	94	4,055,825	93
Non-current assets					
Property, plant and equipment	6.(6)	34	-	65	-
Right-of-use assets	6.(7)	106,055	3	142,662	3
Investment property, net	6.(9)	113,670	3	130,977	3
Intangible assets	6.(10)	418	-	501	-
Deferred tax assets	6.(28)	5,393	-	48,740	1
		225,570	6	322,945	7
Total assets		\$ 4,068,902	100	\$ 4,378,770	100

(Continued on next page)

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated balance sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31,			
		2023	%	2022	%
<i>Current liabilities</i>					
Short-term borrowings	6.(13), 7	\$ 108,729	3	\$ 310,593	7
Current contract liabilities	6.(21)	25,956	1	-	-
Accounts payable	6.(14)	674,440	16	718,875	16
Accounts payable to related parties	6.(14), 7	82,013	2	50,646	1
Other payables	6.(15)	71,363	2	74,813	2
Other payables to related parties	7	8,186	-	2,977	-
Other current liabilities		1,030	-	134	-
		<u>971,717</u>	<u>24</u>	<u>1,158,038</u>	<u>26</u>
<i>Non-current liabilities</i>					
Deferred tax liabilities	6.(28)	292,573	7	298,166	7
Deposits received		<u>3,329</u>	<u>-</u>	<u>440</u>	<u>-</u>
		<u>295,902</u>	<u>7</u>	<u>298,606</u>	<u>7</u>
Total liabilities		<u>1,267,619</u>	<u>31</u>	<u>1,456,644</u>	<u>33</u>
<i>Equity attributable to shareholders of the parent</i>					
Ordinary share	6.(17)	1,094,938	27	1,094,938	25
Capital surplus	6.(18)	1,520,022	37	1,520,022	34
Retained earnings:	6.(19)				
Legal reserve		593,778	14	593,778	14
Special reserve		447,233	11	487,320	11
Unappropriated retained earnings		(337,668)	(8)	(309,547)	(7)
Other equity interest	6.(20)	(499,868)	(12)	(447,233)	(10)
Treasury shares	6.(17)	(17,152)	-	(17,152)	-
Total equity		<u>2,801,283</u>	<u>69</u>	<u>2,922,126</u>	<u>67</u>
Total liabilities and equity		\$ 4,068,902	100	\$ 4,378,770	100

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

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of comprehensive income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2023	%	2022	%
Operating revenue	6.(21), 7	\$ 2,386,276	100	\$ 2,546,156	100
Operating costs	6.(5), 7	(1,993,953)	(84)	(2,253,273)	(89)
Gross profit		<u>392,323</u>	<u>16</u>	<u>292,883</u>	<u>11</u>
Operating expenses	6.(24), 7				
Selling expenses		(259,590)	(11)	(256,629)	(10)
General & administrative expenses		(97,637)	(4)	(129,216)	(5)
Research and development expenses		(39,053)	(1)	(45,379)	(2)
		(396,280)	(16)	(431,224)	(17)
Net operating loss		(3,957)	-	(138,341)	(6)
Non-operating income and expenses					
Interest income	6.(22)	26,140	1	27,087	1
Other income	6.(23), 7	-	-	36,371	2
Other gains and losses	6.(24)	(41,486)	(2)	241,658	9
Finance costs	6.(27), 7	(5,897)	-	(2,386)	-
		(21,243)	(1)	302,730	12
(Loss) income before income tax		(25,200)	(1)	164,389	6
Income tax expenses	6.(28)	(43,008)	(2)	(31,622)	(1)
Net (loss) income for the year		(68,208)	(3)	132,767	5
Other comprehensive income (loss)					
Component of other comprehensive income that will not be reclassified to profit or loss					
Exchange differences arising on translation to the presentation currency		(52,635)	(2)	40,088	2
Total other comprehensive (loss) income for the year		(52,635)	(2)	40,088	2
Total comprehensive (loss) income for the year		<u>(\$ 120,843)</u>	<u>(5)</u>	<u>\$ 172,855</u>	<u>7</u>
Net (loss) income attributable to shareholders of the parent		<u>(\$ 68,208)</u>	<u>(3)</u>	<u>\$ 132,767</u>	<u>5</u>
Total comprehensive (loss) income attributable to shareholders of the parent		<u>(\$ 120,843)</u>	<u>(5)</u>	<u>\$ 172,855</u>	<u>7</u>
Earnings per share (In New Taiwan dollars)	6.(29)				
Basic earnings (loss) per share		<u>(\$ 0.63)</u>		<u>\$ 1.22</u>	

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

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of changes in equity

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent							
	Retained earnings					Other equity interest		
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Treasury shares	Total equity
Balance, January 1, 2022	\$ 1,094,938	\$ 1,520,022	\$ 593,778	\$ 460,948	(\$ 415,942)	(\$ 487,321)	(\$ 17,152)	\$ 2,749,271
Appropriation of prior year's earnings:								
Special reserve appropriated	-	-	-	26,372	(26,372)	-	-	-
	1,094,938	1,520,022	593,778	487,320	(442,314)	(487,321)	(17,152)	2,749,271
Net income for the year	-	-	-	-	132,767	-	-	132,767
Other comprehensive income for the year	-	-	-	-	-	40,088	-	40,088
Total comprehensive income for the year	-	-	-	-	132,767	40,088	-	172,855
Balance, December 31, 2022	1,094,938	1,520,022	593,778	487,320	(309,547)	(447,233)	(17,152)	2,922,126
Appropriation of prior year's earnings:								
Reversal of special reserve	-	-	-	(40,087)	40,087	-	-	-
	1,094,938	1,520,022	593,778	447,233	(269,460)	(447,233)	(17,152)	2,922,126
Net loss for the year	-	-	-	-	(68,208)	-	-	(68,208)
Other comprehensive loss for the year	-	-	-	-	-	(52,635)	-	(52,635)
Total comprehensive loss for the year	-	-	-	-	(68,208)	(52,635)	-	(120,843)
Balance, December 31, 2023	\$ 1,094,938	\$ 1,520,022	\$ 593,778	\$ 447,233	(\$ 337,668)	(\$ 499,868)	(\$ 17,152)	\$ 2,801,283

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

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2023	2022
Cash flows from operating activities		
(Loss) income before income tax for the year	(\$ 25,200)	\$ 164,389
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation	12,323	17,126
Amortization	126	89
Impairment loss on non-financial assets	37,366	-
Reversal of inventory for decline in market value and obsolescence	(10,818)	(19,049)
Interest expenses	5,897	2,386
Interest income	(26,140)	(27,087)
Gain on disposal of property, plant and equipment	-	(243,574)
Foreign exchange loss	3,789	1,914
Gain on bargain purchase	-	(11,309)
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(51,913)	181,682
Decrease in other receivables	58	5,635
Decrease in inventories	10,109	33,278
Decrease in prepayments	14,393	18,764
Increase in contract liabilities	25,956	-
Decrease in accounts payable	(13,068)	(232,622)
Decrease in other payables	(3,972)	(29)
Increase in other current liabilities	896	131
Cash used in operations	(20,198)	(108,276)
Income taxes refund	21,241	-
Net cash generated from (used in) operating activities	<u>1,043</u>	<u>(108,276)</u>

(Continued on next page)

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2023	2022
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(3,076,780)	(3,095,330)
Proceeds from sale of financial assets at amortized cost	3,076,780	3,095,330
Proceeds from disposal of property, plant and equipment	-	665,608
Acquisition of intangible assets	(52)	(591)
Acquisition of subsidiary	-	(276,022)
Decrease in refundable deposits	-	221
Interest received	26,722	27,279
Net cash generated from investing activities	26,670	416,495
Cash flows from financing activities		
(Decrease) increase in short-term borrowings	(196,605)	296,958
Increase (decrease) in guarantee deposits received	2,942	(849)
Net cash generated from (used in) financing activities	(193,663)	296,109
Effect of exchange rate changes on cash and cash equivalents	(34,820)	18,672
(Decrease) increase in cash and cash equivalents	(200,770)	623,000
Cash and cash equivalents at beginning of year	1,263,907	640,907
Cash and cash equivalents at end of year	\$ 1,063,137	\$ 1,263,907

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

【Attachment 4】

Topbi International Holdings Limited Comparison Table for the Amendments to Regulations Governing Procedure for Board of Directors Meetings

Amended Articles	Current Articles	Explanations
Article 12 If half of all the directors are not present, the Chairman may announce that the meeting shall be postpone <u>on the same day</u>, and the number of postponement shall be limited to two. If there is insufficient attendance after two postponement, the Chairman may reconvene the meeting in accordance with the procedure provided for in paragraph 2 of Article 3. The term "all directors" mentioned in the preceding paragraph and Article 17 (2) (2) shall be counted as the actual incumbents.	Article 12 If half of all the directors are not present, the Chairman may announce that the meeting shall be postpone, and the number of postponement shall be limited to two. If there is insufficient attendance after two postponement, the Chairman may reconvene the meeting in accordance with the procedure provided for in paragraph 2 of Article 3. The term "all directors" mentioned in the preceding paragraph and Article 17 (2) (2) shall be counted as the actual incumbents.	1. In order to avoid any dispute arising from the undetermined extension of a Board meeting, the Chairman may declare the postponement of a meeting to be limited to that day when it is stated that there is insufficient attendance. 2. The second item is not amended.
Article 13 The Board of Directors shall conduct its business in accordance with the procedure scheduled in the notice of the meeting. However, it may be changed with the consent of more than half of the directors present. The chairman shall not adjourn the meeting without the consent of a majority of the directors present. In the course of the proceedings of the Board of Directors, if no more than half of the directors present are present, on the proposal of the directors present, the Chairman shall suspend the meeting and the provisions of paragraph 1 of Article 9 shall apply.	Article 13 The Board of Directors shall conduct its business in accordance with the procedure scheduled in the notice of the meeting. However, it may be changed with the consent of more than half of the directors present. The chairman shall not adjourn the meeting without the consent of a majority of the directors present. In the course of the proceedings of the Board of Directors, if no more than half of the directors present are present, on the proposal of the directors present, the Chairman shall suspend the meeting and the provisions of paragraph 1 of Article 9 shall apply.	1. The second item is not amended. 2. Taking into account practice, when the chairman is unable to preside over the meeting for some reason or announces the discontinuation of the meeting in accordance with regulations during the proceedings of the Board of Directors, to avoid affecting the operation of the Board of directors, a fourth item is added to specify that the method of selection of an agent shall be adopted as stipulated in paragraph 3 of

<u>In the course of the proceedings of the Board of directors, if the chairman is unable to preside over the meeting for some reason or declares the meeting adjourned without complying with the provisions of paragraph 2, the selection of his representative shall be governed by the provisions of paragraph 3 of Article 10.</u>		Article 10, and the deputy chairman shall act as the agent, and when the vice chairman or the vice chairman also asks for leave or is unable to exercise his functions and powers for some reason, A managing director appointed by the chairman shall act for him; If there is no managing director, one director shall be appointed to act for him; if the chairman does not appoint an agent, the managing director or one of the directors shall be nominated to act for him.
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IV. Appendix

【APPENDIX 1】

**THE COMPANIES LAW (AS AMENDED)
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
TOPBI INTERNATIONAL HOLDINGS LIMITED
淘帝国际控股有限公司**

THE COMPANIES ACT (AS AMENDED)
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
TOPBI INTERNATIONAL HOLDINGS LIMITED

淘帝国际控股有限公司

(Adopted by Special Resolution passed on June 26, 2023)

1. The name of the Company is TOPBI International Holdings Limited 淘帝国际控股有限公司 (the "**Company**").
2. The registered office of the Company will be situated at the office of Tricor Services (Cayman Islands) Limited, 3rd Floor Century Yard, Cricket Square, P O Box 902, Grand Cayman KY1-1103, Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted.

The Company have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act of the Cayman Islands (as amended) (the "**Act**").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Act.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is **NT\$1,500,000,000** divided into **150,000,000** Common Shares of a nominal or par value of **NT\$10** each provided always that subject to the Act and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
8. The Company may exercise the power contained in Section 226 of the Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

TABLE OF CONTENTS

CLAUSE	PAGE
TABLE A	44
INTERPRETATION.....	44
PRELIMINARY.....	49
SHARES	50
PRIVATE PLACEMENT.....	53
MODIFICATION OF RIGHTS	54
SHARE CERTIFICATES.....	54
FRACTIONAL SHARES.....	54
TRANSFER OF SHARES	55
TRANSMISSION OF SHARES	56
ALTERATION OF SHARE CAPITAL	56
VOTING ON RESOLUTION.....	57
REDEMPTION AND PURCHASE OF SHARES	59
TREASURY SHARES.....	60
CLOSING REGISTER OR FIXING RECORD DATE	61
GENERAL MEETINGS	62
NOTICE OF GENERAL MEETINGS.....	63
PROCEEDINGS AT GENERAL MEETINGS	65
VOTES OF SHAREHOLDERS	66
PROXY AND PROXY SOLICITATION	70
CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS.....	70
DIRECTORS.....	70
DIRECTORS' FEES AND EXPENSES	73
ALTERNATE.....	73
POWERS AND DUTIES OF DIRECTORS	74
BORROWING POWERS OF DIRECTORS	76
THE SEAL.....	76
DISQUALIFICATION OF DIRECTORS.....	76
PROCEEDINGS OF DIRECTORS	77
AUDIT COMMITTEE.....	81
DIVIDENDS	83
ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION	85
INTERNAL AUDIT	86
CAPITALISATION OF RESERVES	86
TENDER OFFER.....	86
SHARE PREMIUM ACCOUNT	87
NOTICES.....	87
INFORMATION.....	88

INDEMNITY OR INSURANCE	89
FINANCIAL YEAR	89
WINDING- UP	89
AMENDMENT OF ARTICLES OF ASSOCIATION	90
REGISTRATION BY WAY OF CONTINUATION	90
LITIGIOUS AND NON-LITIGIOUS AGENT.....	90
CORPORATE SOCIAL RESPONSIBILITY	91

THE COMPANIES ACT (AS AMENDED)
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
TOPBI INTERNATIONAL HOLDINGS LIMITED

淘帝国际控股有限公司

(Adopted by Special Resolution passed on June 26, 2023)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Act shall not apply to TOPBI International Holdings Limited 淘帝国际控股有限公司 (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

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

"Acquisition" refers to an act wherein a company acquiring shares, business or assets of another company in exchange for shares, cash or other assets;

"Act" means the Companies Act of the Cayman Islands (as amended);

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

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

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

"Audit Committee" means the audit committee of the Company constituted pursuant to Article 118 hereof, or any successor audit committee;

"Book-Entry Transfer" means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall be recorded in the entry sub-account under the Company's account with the securities central depository in Taiwan;

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

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

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

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

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

"Communication Facilities" shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and be heard by each other;

"Constituent Company" means a company that is participating in a Merger with one (1) or more other companies within the meaning of the Act;

"Directors" and **"Board of Directors"** and **"Board"** means the board of directors of the Company appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;

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

"electronic" shall have the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"electronic communication" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;

"Electronic Transactions Act" means the Electronic Transactions Act (as amended) of the Cayman Islands;

"Emerging Market" means the emerging market board of the Taipei Exchange in Taiwan;

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

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

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

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

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

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

"Merger" means the merging of two (2) or more Constituent Companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as the Surviving Company within the meaning of the Act;

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

"Office" means the registered office of the Company for the time being;

"Ordinary Resolution" means a resolution passed by a simple majority of votes cast by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company;

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

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

"Preferred Shares" has the meaning given thereto in Article 10;

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

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

"Register" or **"Register of Members"** means the register of Members of the Company maintained in accordance with the Act;

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

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

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

"Seal" means the common seal of the Company (if adopted) including any one or more duplicate seals, for use in the Cayman Islands or in any place outside the Cayman Islands;

"Secretary" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company and includes any deputy or assistant secretary;

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

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

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

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

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

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

"Special Resolution" means a resolution passed by a majority of at least two-thirds (2/3) of the votes cast by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given (and for the avoidance of doubt, unanimity qualifies as a majority);

"Spin-off" refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;

"Supermajority Resolution" means a resolution passed by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding more than half of the total number of Shares held by all Shareholders present at that meeting, and such meeting attended by Shareholders holding in aggregate not less than two-thirds (2/3) of total number of issued Shares of the Company. However, in the case where the Shareholders present at such general meeting hold in aggregate less than two-thirds (2/3) of total number of issued Shares of the Company but more than half of the total number of issued Shares of the Company, "Supermajority Resolution" shall instead mean a resolution passed by Shareholders, being entitled to do so, voting in person or in the case of Shareholders being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the total number of Shares held by all Shareholders present at such meeting;

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

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

"The Taipei Exchange " means the Taipei Exchange in Taiwan;

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

"TSE" means the Taiwan Stock Exchange; and

"Virtual Meeting" shall mean any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.

2. In these Articles, save where the context requires otherwise:
 - (a) words importing the singular number shall include the plural number and vice versa;
 - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
 - (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
 - (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
 - (e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case;
 - (f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one (1) and partly another;
 - (g) sections 8 and 19(3) of the Electronic Transactions Act shall not apply;
 - (h) references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not; and
 - (i) references to time of day and date shall be to the time and date in Taiwan.
3. Subject to the last two preceding Articles, any words defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Board of Directors shall keep, or cause to be kept, the Register which may be kept in or outside the Cayman Islands at such place as the Board of Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :
 - (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and conditions and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (b) issue and grant options, with respect to such Shares and issue warrants or similar instruments and other rights, renounceable or otherwise, in respect of Shares);

provided that no Share shall be issued at a discount except in accordance with the Act.

9. The Company may, with the authority of a Supermajority Resolution, issue restricted Shares for employees. The terms and conditions of issue of such restricted Shares, including but not limited to the number of shares to be issued, issue price, issue terms and other matters shall be subject to the Applicable Listing Rules and the requirements of the Commission.
10. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company ("**Preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors for the time being and with the approval of the Shareholders in general meeting by a Special Resolution. Prior to the issuance of any Preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of Preferred Shares:
 - (a) number of Preferred Shares issued by the Company and the number of preferred Shares the Company is authorized to issue;
 - (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;

- (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of a holder of Preferred Shares;
 - (e) other matters concerning rights and obligations incidental to Preferred Shares; and
 - (f) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
11. The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors for the time being. The issue of new Shares shall at all times be subject to the sufficiency of the authorised but unissued capital of the Company.
12. Subject to Article 12A, the Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
- 12A. If a subscriber fails to pay any call or instalment of call with respect of any Shares on the day fixed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on the subscriber requiring payment of such call or instalment of call as is unpaid, together with any interest which may have accrued, within a period of not less than 1 month from the date of the notice given by the Directors. The notice shall name a further day (not earlier than the expiration of aforesaid one month or longer period from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time fixed the Shares in respect of which the call was made will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a determination of the Directors to that effect. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting Shareholder.
13. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, in respect of each proposed issuance of new Shares, the Directors may, before issuance of any new Shares, allocate and offer not more than fifteen percent (15%) of the new shares for subscription by the employees of the Company and/or any Subsidiaries of the Company who are

determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 27 and No. 28 of the IFRS (i.e., International Financial Reporting Standards).

14. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Shares, the Company shall, after allocating the portion of such new Shares for subscription by the employees of the Company and/or any Subsidiaries of the Company pursuant to Article 13 (as the case may be) and for public offering in Taiwan pursuant to Article 16, the remaining new Shares to be issued shall then be first offered by public announcement and a written notice to each Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The announcement and notice shall state that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. In no event shall the subscription right in this Article be transferred to any third parties. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one (1) or more new whole Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public offering or for subscription by specific person or persons through negotiation.
15. The Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
 - (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
 - (d) in connection with meeting the Company's obligation under Preferred Shares vested with rights to acquire Shares.
16. (a) For so long as;
 - (i) the Shares are registered in the Emerging Market, unless otherwise provided in the Applicable Listing Rules, where the Company proposes to increase its capital by issuing new Shares in Taiwan, the Company may allocate ten percent (10%) of the total number of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering; or

- (ii) the Shares are listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, where the Company proposes to increase its capital by issuing new Shares in Taiwan, the Company shall allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering;

provided however in each case, if a percentage higher than the aforementioned ten percent (10%) is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.

- (b) For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, unless otherwise provided in the Applicable Listing Rules, the Company shall obtain a prior approval of the Commission and/or other competent authorities for any issuance of new Shares) (whether inside Taiwan or outside Taiwan) in accordance with the Applicable Listing Rules.

17. Subject to the Applicable Listing Rules, the Company may, upon a resolution passed by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors for the time being, adopt one (1) or more employee incentive programmes (such as employee stock option plan) pursuant to which shares, options, warrants, or other similar instruments to subscribe for Shares may be granted to employees of the Company and/or any Subsidiaries of the Company. The shares, options, warrants, or other similar instruments to subscribe for Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees. The term "Subsidiaries" above refers to the companies defined under No. 27 and No. 28 of the IFRS (i.e., International Financial Reporting Standards).

PRIVATE PLACEMENT

- 17A. Subject to the Applicable Listing Rules, the Company may by Supermajority Resolution carry out private placement of its securities to the following entities in Taiwan:

- (a) banking enterprises, bill enterprises, trust enterprises, insurance enterprises, securities enterprises or any other legal entities or institutions approved by the Commission;
- (b) individuals, legal entities or funds meeting the qualifications established by the Commission; and
- (c) Directors, supervisors (if any) and managers of the Company or the Affiliated Companies.

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

MODIFICATION OF RIGHTS

18. If, at any time, the share capital of the Company is divided into different Classes, the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class), whether or not the Company is being wound-up, be varied or abrogated (including but not limited to the circumstances where there is any amendment to these Articles which may be prejudicial to the rights of the holders of any Class of Shares) by a Special Resolution passed at a separate meeting of the holders of Shares of that Class of Shares.

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

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

SHARE CERTIFICATES

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

FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue Shares in fractional denominations and to deal with such fractions to the same extent as its whole Shares and Shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole Shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

TRANSFER OF SHARES

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

Notwithstanding anything to the contrary in these Articles, Shares that are listed or admitted to trading on an approved stock exchange (which is defined in the Act to include the Taipei Exchange and the TSE) may be evidenced and transferred in accordance with the rules and regulations of such exchange.

23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve or the form required by the Taipei Exchange or TSE (for so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE) and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect of the said Shares. The Register of Members maintained by the Company in respect of the Shares which are registered in the Emerging Market or listed in the Taipei Exchange or the TSE may be kept by recording the particulars required under the Act in a form otherwise than legible provided such recording otherwise complies with the laws applicable to the Emerging Market, the Taipei Exchange or TSE, as the case may be, and the Applicable Listing Rules. To the extent the Register of Members is kept in a form otherwise than legible it must be capable of being reproduced in a legible form.

24. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one (1) class of Shares;
 - (c) the instrument of transfer is properly stamped, if required; and
 - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four (4).

This Article is not applicable during the period that the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE.

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

TRANSMISSION OF SHARES

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

ALTERATION OF SHARE CAPITAL

30. Subject to the Act, the Company may from time to time by Ordinary Resolution:
- (a) increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
 - (c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

- (d) subdivide its Shares, or any of them into Shares of a smaller amount than that fixed by the Memorandum; and
 - (e) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
- 30A. The Company may from time to time by Special Resolution, subject to any confirmation or consent required by the Act, reduce its share capital or any share premium account or capital redemption reserve or other undistributable reserve in any manner permitted by the Act.

VOTING ON RESOLUTION

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

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

32. The Company may also by Supermajority Resolution:
- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
 - (b) transfer the whole or any material part of its business or assets;
 - (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules;
 - (e) grant waiver to the Director's engaging in any business within the scope of the Company's business;
 - (f) issue restricted Shares to employees pursuant to Article 9;
 - (g) distribute part or all of its dividends or bonus by way of issuance of new Shares; and
 - (h) share swap.
33. Subject to the Act, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;

(a) a Supermajority Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or

(b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 33(a) above.

33A The Company shall pass a Supermajority Special Resolution if the Company effects a Delisting in accordance with the Applicable Listing Rules.

34. Subject to the Act, in the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 32 is passed at a general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair value price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

Subject to the Act, in the event any part of the Company's business is Spun Off or involved in any Merger, Acquisition or share swap with any other company, the Shareholder, who has voted against or abstained from voting on such matter and expressed his dissent therefor, in writing or verbally (with a written record) before or during the general meeting, may request the Company to purchase all of his Shares in writing at the then prevailing fair value price within twenty (20) days after the date of the resolution and specify the price of the Shares to be repurchased.

Shares for which voting right has been abstained in the preceding Paragraph shall not be counted in the number of votes of shareholders present at the meeting.

For the purpose of this Article 34, if the Company and any Shareholder reach an agreement on the price of the Shares to be repurchased by the Company, the Company shall pay for such agreed purchase price of Shares to be repurchased within ninety (90) days from the date of passing of the resolution by general meeting. In case no agreement as to the purchase price is reached, the Company shall pay the fair price as determined by the Company to such Shareholder within ninety (90) days from the date on which the resolution was adopted. If the Company fails to pay the agreed purchase price, the Company shall be deemed to agree to the price as requested by the Shareholder.

For the Shareholder who requests the Company to purchase all of his Shares in accordance with the second paragraph, in the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date on which the resolution was adopted, the Company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within thirty (30) days after such sixty-day period, and Taiwan Taipei District Court has the jurisdiction.

REDEMPTION AND PURCHASE OF SHARES

35. Subject to the Act, the Applicable Listing Rules and these Articles, the Company is authorized to issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder.
36. The Company is authorised to make payments in respect of the redemption of its Shares out of the funds lawfully available (including out of capital) in accordance with the Act and the Applicable Listing Rules.
37. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Every share certificate representing a redeemable Share shall indicate that the share is redeemable.
38. Subject to the Applicable Listing Rules and Articles 38B and 39A, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Company may purchase its own Shares (including a redeemable Share) by agreement with the Shareholder whose Shares are to be purchased or pursuant to the terms of the issue of the Share and may make payments in respect of such purchase in accordance with the Act, the Applicable Listing Rules, these Articles and the Ordinary Resolution authorizing the manner and terms of the purchase. The Company may authorize the Board pursuant to section 37(5) of the Act to make a payment in respect of the redemption or purchase of its own Shares otherwise than out of profits, share premium account, or the proceeds of a fresh issue of Shares.
- 38A. No Share may be redeemed or purchased unless it is fully paid-up.
- 38B. Subject to the Applicable Listing Rules, upon approval of a majority of Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors for the time being, the Company may purchase its outstanding Shares listed on the Taipei Exchange or TSE. The said approval by resolution of Board of Directors and the extent of Shares purchases made pursuant thereto shall be reported to the Shareholders at the next general meeting. If the Company fails to effect the purchase pursuant to the resolution of the Board of Directors, it shall also be reported to the Shareholders at the next general meeting.
39. The redemption price or purchase price may be paid in any manner authorised by the Act, the Applicable Listing Rules and these Articles. Subject to the Act, the Applicable Listing Rules and these Articles, a delay in payment of the redemption price or purchase price shall not affect the redemption but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 39A. Shares purchased may only be treated as cancelled in connection with a purchase of Shares out of the share capital of the Company or any account or funds legally available therefor with the sanction of a Supermajority Resolution. The number of Shares to be purchased and cancelled

pursuant to a purchase of Shares pursuant to this Article shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

The amount payable to the Shareholders in connection with a purchase of Shares held by each such Shareholders pursuant to the preceding paragraph may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). Where the amount payable on a purchase of Shares is to be satisfied by way of delivery of assets in specie (i.e., non-cash), then the number of Shares to be purchased, the said assets in specie (i.e., non-cash), and the amount of share capital to be cancelled upon the purchase of Shares (which amount must be equivalent to the value of the said assets to be delivered) shall first be approved by a Supermajority Resolution and shall be subject to the consent of the Shareholder whose Shares are to be purchased and to whom such assets are to be delivered. Prior to such general meeting, the Board of Directors shall have the value of the said assets to be delivered and the amount of share capital to be cancelled (equivalent to the value of the said assets to be delivered) upon the purchase of the Shares (as described in the preceding paragraph) be audited and certified by a certified public accountant in Taiwan.

TREASURY SHARES

40. The Company is authorised to hold Treasury Shares in accordance with the Act. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be immediately cancelled or held as Treasury Shares in accordance with the Act and Applicable Listing Rules. If the Board of Directors does not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
- 40A. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of Treasury Shares.
- 40B. For so long as the Company holds Treasury Shares:
- (a) the Company shall be entered in the Register as the holder of those Treasury Shares;
 - (b) 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; and
 - (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Act, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Shares is permitted provided that any such Shares allotted as fully paid bonus shares in respect of a Treasury Shares shall be treated as Treasury Shares.

- 40C. Subject to Article 40D and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If any of the Treasury Shares are intended to be transferred to employees pursuant to Applicable Listing Rules, such employees may undertake to the Company to refrain from transferring such Shares during a specified period not exceeding two (2) years.
- 40D. Subject to the Applicable Listing Rules, a proposed transfer by the Company of Treasury Shares to its employees at a price lower than the average price at which the Treasury Shares were actually previously purchased by the Company shall be approved at the next general meeting by at least two-thirds (2/3) of votes cast by Shareholders present at the meeting with a quorum of more than half of the total number of the issued Shares. The following matters shall be listed in the reasons for convening the said general meeting and in no event shall such matters be proposed at the general meeting as ad hoc motions:
- (a) transfer price determined, discount rate, calculation basis and fairness;
 - (b) the number of Treasury Shares to be transferred, purpose and fairness;
 - (c) the criteria of eligible employees and number of Treasury Shares that may be purchased by each employee; and
 - (d) impact on shareholders' rights: (i) the amount to be booked as expense of the Company and dilution of earnings per Share; and (ii) description of the Company's financial burden arising from the transfer of Treasury Shares to employees at a price lower than the average price at which the Treasury Shares were actually purchased by the Company.

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

CLOSING REGISTER OR FIXING RECORD DATE

41. For the purpose of determining the Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or the Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purposes, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, the Register shall be closed in accordance with the Applicable Listing Rules.
42. Apart from closing the Register, the Directors may fix in advance a date as the record date for determining the Members that are entitled to receive notice of, attend or vote at a general meeting and for the purpose of determining those Members that are entitled to receive payment of any dividend or in order to make a determination as to who is a Member for any other purposes. In

the event the Directors designate a record date in accordance with this Article 42 in respect of convening a general meeting, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the Taipei Exchange or TSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

43. All general meetings other than annual general meetings shall be called extraordinary general meetings.
44. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year and shall specify the meeting as such in the notices calling it.
45. At each general meeting, a report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, all physical general meetings shall be held in Taiwan and if a physical general meeting is to be convened outside Taiwan, the Company shall apply for the approval of the Taipei Exchange or the TSE thereof within two (2) days after the Board adopts such resolution.
- 45A. General meetings of the Company can be held by Virtual Meeting or other methods promulgated by the Commission or MOEA.

In case where any general meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, any shareholder who attended and participated by means of use of such Communication Facilities at such meeting shall be treated as present in person at that meeting.

For so long as the Shares are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, the related procedures and other compliance matters of general meetings proceeded via Virtual Meeting shall follow the Applicable Listing Rules.

46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding in the aggregate three percent (3%) or more of the total number of issued Shares of the Company for a period of one (1) consecutive year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the matters to be tabled for consideration at the meeting and the reasons for the proposed matter(s), and if the Board does not duly proceed to convene such meeting for a date not later than fifteen (15) days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, the requisitionists themselves may convene the extraordinary general meeting in the same manner as provided for under Article 48, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

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

NOTICE OF GENERAL MEETINGS

48. Subject to Article 48A, at least thirty (30) days' notice in writing shall be given to all the shareholders for an annual general meeting, and at least fifteen (15) days' notices in writing shall be given to all the shareholders for an extraordinary general meetings pursuant to Article 143, except in the case where the shareholder holds less than 1,000 shares, the Company need not send notice in writing, but may give notice of general meetings by public announcement in accordance with the laws of the Cayman Islands and Applicable Listing Rules.

The period of notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The notice shall specify the place, the date and the time of the meeting and the reason for the meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual shareholder.

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

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

49. The Board shall prepare a manual setting out the agenda of a general meeting (including all the subjects and matters to be resolved at the meeting) and shall make public announcement(s) in a manner permitted by the Applicable Listing Rules to disclose the contents of such manual together with other information related to the said meeting at least twenty-one (21) days prior to the date of annual general meetings and at least fifteen (15) days prior to the date of extraordinary general meetings. However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the general meeting in the most recent fiscal year, it shall upload the electronic file 30 days prior to the date of annual general meetings. Such manual shall be distributed to all Shareholders attending the general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at the general meeting.

50. In the event any of the following matters is to be considered at a general meeting, the notice of the general meeting shall contain an explanatory summary of the matter to be discussed, and such matters shall not be proposed as ad hoc motions; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEX or the Company with the address of website indicated in the notice:
- (a) election or discharge of Directors or supervisors (if any);
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) reduction in share capital of the Company;
 - (d) application for de-registration as a public company;
 - (e) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;
 - (f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
 - (g) the transfer of the whole or any material part of its business or assets;
 - (h) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (i) the private placement of equity-linked securities;
 - (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
 - (k) distribution of part or all of its dividends or bonus by way of issuance of new Shares;
 - (l) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;
 - (m) subject to the Act, distribution of the Legal Reserves and Capital Reserves arising from the share premium account, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them;
 - (n) the transfer of Treasury Shares to its employees by the Company; and
 - (o) the Delisting.

PROCEEDINGS AT GENERAL MEETINGS

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

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

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

number of Shares shall be based on the Shares held immediately prior to the relevant book close period.

54. Subject to the Applicable Listing Rules, for a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the Shareholders present shall elect one of such persons as the chairman of the meeting.
- 54A. The Board of Directors or any person who is entitled to convene a general meeting pursuant to Article 53A above or under these Articles may demand the Company or its Shareholders' Service Agent to provide the Register of Members.
55. Subject to the Applicable Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of any general meeting shall be decided by a show of hands. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
56. Unless otherwise expressly required by the Act or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting shall be passed by an Ordinary Resolution.
57. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.

VOTES OF SHAREHOLDERS

58. Subject to these Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder as his proxy shall have one (1) vote for each Share of which he or the Shareholder represented by proxy is the holder.

For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TSE, any Shareholder holding Shares on behalf of another beneficiaries may exercise his/her voting rights severally in accordance with the request(s) of the respective beneficiaries in respect of those Shares. The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

Subject to the Act and unless otherwise provided for in these Articles, any resolutions at a general meeting of the Company shall be adopted by an Ordinary Resolution.

59. No vote may be exercised by any Shareholder with respect to any of the following Shares:
- (a) any Treasury Shares held by the Company in accordance with the Act, these Articles and the Applicable Listing Rules;

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

Any votes cast at the general meeting by or on behalf of such Shareholder in contravention of the foregoing shall not be counted and the Shares held by such Shareholder shall not be counted in determining the total number of issued Shares for purposes of voting at the general meeting and for determining quorum thereat under Article 51.

- 60. In the case of joint holders, the joint holders shall appoint from amongst themselves a representative to the exercise their voting rights and the joint holders shall notify the Company of such appointment. The vote of the representative who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders.
- 61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his committee, his guardian or any other Person who is similar to guardian and appointed by such court, and such committee or other Person, guardian or any other Person who is similar to guardian appointed by any court having jurisdiction, may otherwise act and be treated as if he were the registered holder of such Shares for the purpose of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office or such other place as the Board may specify, not less five (5) days before the date appointed for the holding of the meeting or adjourned meeting or poll, as the case may be..
- 62. A Shareholder may appoint a proxy to attend, speak and vote at a general meeting on his behalf by executing an instrument of proxy in the usual or common form or such other form as the Board of Directors may approve, and such proxy form shall be prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one (1) proxy form and appoint one (1) proxy for each general meeting, and shall deliver to the Company such written proxy, duly completed and executed by him, so as to reach the Company no later than five (5) days prior to the meeting date. In case the Company receives two (2) or more written proxies from the same one (1) Shareholder, the written proxy first received by the Company shall prevail unless an explicit statement revoking the earlier written proxy is made subsequently received written proxy.
- 62A. After a written proxy has been delivered to the Company, if the Shareholder issuing the proxy intends to attend the general meeting in person or to exercise his voting rights in writing or by way of electronic transmission, the Shareholder shall issue a written notice to the Company to revoke

the proxy at least two (2) days prior to the general meeting. If the revocation is not made during the prescribed period, the votes casted by the Person as his proxy shall prevail.

63. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon by such proxy, and (c) basic identification information relating to the relevant Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice of general meeting by mail or electronic transmission for the relevant general meeting. Notwithstanding any other provisions of these Articles, the distribution of the notice and proxy materials shall be made to all Shareholders and such distribution, regardless of delivering by email or by electronic transmission, shall be made on the same day.
64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Shareholder.
65. Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or the chairman appointed pursuant to Article 68, when a person who acts as the proxy for two (2) or more Shareholders concurrently, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of votes in excess of the said three percent (3%) represented by such proxy shall not be counted.
66. To the extent required by the Applicable Listing Rules, any Shareholder who has a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed (the "**Proposed Matters**") for consideration and approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, but all such Shares shall be counted in the quorum for the purpose of Article 51 notwithstanding that such Shareholder should not exercise his voting right. Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the number of votes of Shareholders present at the general meeting for the resolution relating to the Proposed Matters by the Company.
67. The Company may adopt electronic voting as one of the voting methods in the general meeting.
68. In case the voting at a general meeting is exercised in writing or by way of electronic transmission, the method for exercising the votes shall be described in the notice of the general meeting. A Shareholder who exercises his votes in writing or by way of electronic transmission as set forth in the preceding Article 67 shall be deemed to have appointed the chairman of the general meeting as his/her or her proxy to exercise his/her or her voting rights at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his/her votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided,

however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.

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

69. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 67 to the Company at least two (2) days prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 by the first written ballot or electronic transmission shall prevail unless it is expressly stated in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.

70. In the case of a Shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 shall prevail.

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

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

PROXY AND PROXY SOLICITATION

72. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or the TSE, the Company shall comply with the Applicable Listing Rules in respect of the proxies and proxy solicitation.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

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

DIRECTORS

74. Unless otherwise determined by the Company in general meeting from time to time, the Board of Directors shall consist of such number of Directors being not less than five (5) Directors and not more than seven (7) Directors. Amongst the Board of Directors, the Board of Directors shall comprise of at least three (3) Independent Directors, and the Independent Directors shall account for at least one-fifth (1/5) of the total number of Directors for the time being. At least one (1) of the Independent Directors must be domiciled in Taiwan. For so long as the Shares are listed on the Taipei Exchange or the TSE, the Board of Directors shall have such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer.

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

- 74A. To the extent permitted by the Act, in respect of matters relating to or concerning the qualification, compositions, election, dismissal, authorities, and other compliance matters of the Directors not otherwise specified in these Articles, the Applicable Listing Rules shall apply.
75. Independent Directors shall possess professional knowledge and maintain independence within the scope of their directorial duties without having any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence of Independent Directors, method of nomination of Independent Directors, and other matters in relation to Independent Directors shall be subject to the Applicable Listing Rules.

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

any reason, the resulting vacancy of such Independent Director shall be filled at the next following general meeting. If all of the Independent Directors have been disqualified, have resigned or cease to be Directors for any reason, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that event to elect Independent Directors to fill the vacancies.

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

Where the Directors elected at the general meeting do not meet the Threshold, the election of the Director receiving the lowest number of votes among those not meeting the Threshold shall be deemed null and void. If any of the existing Directors does not meet the Threshold, such Director shall be deemed to have vacated in his office immediately and automatically as at the date of non-compliance with the Threshold.

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

If all Directors are re-elected at a general meeting attended by Shareholders representing more than fifty percent (50%) of total number of issued Shares for the time being, and such general meeting is held prior to the expiration of the term of the current Directors (the "**Re-Election**"), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Re-Election.

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

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

procedures for such candidate nomination and election shall be in accordance with policies approved by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Act, these Articles and the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

- 79A. With regard to the election of the Independent Directors, the Company shall adopt the candidate nomination system as provided by Article 192-1 of Taiwan's Company Law and the Company shall also comply with the Taiwan's Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
80. Subject to these Articles, the term for which a Director and supervisor (if any) will hold office shall not exceed three (3) years; thereafter he/she shall be eligible for re-election. In case no election of new Directors or supervisors (if any) is effected after expiration of the term of office of the existing Directors or supervisors (if any), the term of office of such Directors or supervisors (if any) shall be extended until the time new Directors or supervisors (if any) are elected and assume their office.
81. A Director may be removed at any time by Supermajority Resolution adopted at a general meeting. If a Director is removed during the term of his/her office as a Director without cause, such Director is entitled to make a claim against the Company for damages sustained by him/her as a result of such removal.
82. The Board of Directors shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office.
- 82B. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, any Director (other than the Independent Director) or supervisor (if any), who, during his or her term and in one or more transactions, transfers more than fifty percent (50%) of the total Shares held by such Director or supervisor (as the case may be) at the time of his or her appointment or election as Director or supervisor (as the case may be) being approved at a general meeting (the "Approval Time"), shall be discharged or vacated from the office of Director or supervisor (as the case may be).

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

83. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or

initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

84. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 84A. Where any Director, who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

DIRECTORS' FEES AND EXPENSES

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

ALTERNATE

87. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.
88. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any

usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

POWERS AND DUTIES OF DIRECTORS

89. At the close of each financial year, the Board of Directors shall prepare the business report, financial statements and a surplus earning distribution and/or loss offsetting proposals for adoption at the annual general meeting, and upon such adoption by the Company at its annual general meeting, the Board of Directors shall make public announcements or distribute to each Shareholder copies of the adopted financial statements and the resolutions passed in respect of the surplus earning distribution and/or loss offsetting proposals in accordance with these Articles and the Applicable Listing Rules. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
90. Subject to the Act, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
91. The Directors may from time to time appoint any Person (other than any Independent Directors), whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one (1) or more vice-presidents or chief financial officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Notwithstanding the foregoing, if any Director holds any of the above positions, his remuneration shall be subject to Article 85. Any Person so appointed by the Directors may be removed by the Directors.
92. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
93. The Directors may delegate any of their powers, authorities and discretions to committees consisting (unless otherwise permitted by the Applicable Listing Rules) 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 and directions that may be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and directions, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Directors, and the Directors shall have power, with

the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.

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

Subject to the laws of the Cayman Islands and the Applicable Listing Rules, if any Director, officer or supervisor (if any) of the Company violates the aforesaid fiduciary duties, it may be resolved at the general meeting to deem any income from such behaviour as the Company's income.

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

BORROWING POWERS OF DIRECTORS

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

THE SEAL

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

DISQUALIFICATION OF DIRECTORS

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

- (d) becomes bankrupt or enters into liquidation process by a court order, and has not been discharged from bankruptcy or liquidation;
 - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
 - (f) has no or only limited legal capacity;
 - (g) dies or is found to be or becomes of unsound mind;
 - (h) resigns his office by notice in writing to the Company; or
 - (i) is removed from office and ceases to be a Director pursuant to these Articles;
 - (j) becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not been revoked;
 - (k) if an order of court is obtained pursuant to application made under Article 103 of these Articles; or
 - (l) If he ceases to meet the Threshold (as defined in Article 76 of these Articles).
103. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and regulations and these Articles, but not been removed by a resolution of the general meeting, any Shareholder(s) holding in the aggregate three percent (3%) or more of the total number of issued Shares for the time being may, within thirty (30) days after that general meeting, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, in respect of such matter, for the removal of such Director, at the Company's expense.

PROCEEDINGS OF DIRECTORS

104. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. The notice of the Board meeting shall state the reasons for such meeting and shall be deemed to be duly given to a Director if it is given to such Director at least seven (7) days prior to the meeting by post or electronic transmission to such Director's last known address or in accordance with other instructions given by such Director to the Company for this purpose; however the Board meeting may be convened from time to time in case of any emergency in accordance with the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of Board Meetings.
105. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, by means of

videoconference or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

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

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

To the extent required by Applicable Listing Rules, a Director shall not vote for himself or on behalf of other Director for whom he acts as an alternate in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director has a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted, but such Director shall be counted in the quorum for purposes of convening the Board meeting; before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that the relevant resolution shall be approved or dissented.

Notwithstanding the first paragraph of this Article, if any Director has a personal interest (whether directly or indirectly) in any matter or business tabled or considered at the Board meeting, such Director shall disclose and explain his interest, the nature and extent thereof, all material information or contents on such personal interest at the same Board meeting. Before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who

has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that such Director votes for or against the relevant resolution, and the Company shall itemize the essential contents of such Director's personal interest and the reasons that such Director votes for or against the relevant resolution in the notice to convene a meeting of shareholders; such contents may be uploaded onto the website designated by the Taiwan competent authorities or by the Company, and the address of such website shall be indicated in the above notice.

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

108. No Director (other than Independent Directors) may do anything for himself or on behalf of another person that is within the scope of the Company's business without first having declared such act or activity and all material information to a general meeting of the Shareholders and obtained the approval by Supermajority Resolution. Failure in obtaining such approval shall cause the said interested Director to be liable to account to the Company for any profit realised through such act or activities if the general meeting so resolves by an Ordinary Resolution within one (1) year from such act or activity.
109. Notwithstanding the preceding Article, subject to the Applicable Listing Rules, a Director (other than Independent Directors) may hold any other office or place of profit under the Company (other than the office of internal auditor or auditor of the Company) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
110. Subject to these Articles and the Applicable Listing Rules, any Director (other than Independent Directors) may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as internal auditor or as auditor of the Company.
111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
 - (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

- (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
- 112. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
- 113. Subject to the Applicable Listing Rules, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, and for no other purpose.
- 114. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, such 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 fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one (1) of their number to be chairman of the meeting.
- 115. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, questions arising at any meeting of the committee shall be determined by a majority of votes cast by the committee members present at the meeting.
- 116. Subject to the Applicable Listing Rules and any regulations imposed by the Directors on a committee of Directors, all acts done by the Directors, by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director or any Person to whom the Board may have delegated any of its powers, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director or to act in the relevant capacity.
- 117. The following actions require the approval of a majority of the votes cast by the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors for the time being:
 - (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
 - (b) the sale or transfer of the whole or any material part of its business or assets;
 - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) the election of Chairman of the Board pursuant to these Articles;
 - (e) the distribution of part or all of the dividends or bonus of the Company by way of cash pursuant to Article 125A;

- (f) the allocation of Employees' Remunerations and Directors' Remunerations pursuant to Article 129; and
- (g) issuance of corporate bonds.

AUDIT COMMITTEE

118. The Company shall set up an Audit Committee. The Audit Committee shall comprise solely of all Independent Directors and the number of committee members shall not be less than three (3). One (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have accounting or financial expertise. Subject to Article 119 below, a valid resolution of the Audit Committee requires approval of at least one-half (1/2) of all its members.
119. Notwithstanding anything provided to the contrary contained in these Articles, the following matters require approval of at least one-half (1/2) of all members of the Audit Committee and the approval of the Board:
- (a) adoption of or amendment to an internal control system;
 - (b) assessment of the effectiveness of the internal control system;
 - (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
 - (d) any matter relating to the personal interest of the Directors;
 - (e) the entering into of a transaction relating to material assets or derivatives; ;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or private placement of any equity-linked securities;
 - (h) the hiring or dismissal of an attesting certified public accountant as the auditor of the Company, or the compensation given thereto;
 - (i) the appointment or discharge of a financial, accounting, or internal auditing officers;
 - (j) approval of annual and semi-annual financial reports; and
 - (k) any other material matter deemed necessary by the Company or so required by Applicable Listing Rules or the competent authority.

With the exception of item (j) above, any other matter that has not been approved by a resolution passed by at least one-half (1/2) of all members of the Audit Committee may be undertaken if approved by a resolution passed by at least two-thirds (2/3) of all Directors for the time being, and such resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Where the Audit Committee is unable to convene a meeting for any proper cause to decide on any matter, such matter may be approved by the Board by way of resolution passed by at least two-thirds (2/3) of all Directors, provided that if such matter is a matter under item (j) above, then the members of the Audit Committee who are Independent Directors shall still be required to issue an opinion as to whether the resolution is approved in respect of the said matter under item (j) above.

- 119A. Before the Company holds a meeting of the Board of Directors to adopt any resolution of Merger, Acquisition, Spin-off or share swap, the Audit Committee shall seek opinion from an independent expert in order to review the fairness and reasonableness of the plan and transaction of the Merger, Acquisition, Spin-off or share swap, including but not limited to the justification of share swap ratio or a distribution by cash or otherwise, and the review result shall be submitted to the Board of Directors and Shareholders in the general meeting (provided, however, that if the Act does not require the Shareholders' approval on the said transactions, the expert opinion and review result do not have to be submitted to the general meeting); and the review result and the expert opinion shall be provided to the Shareholders together with the notice of general meeting. If the Act does not require the Shareholders' approval on the said transactions, the Board of Directors shall report the transactions in the next general meeting following the transactions.

For the documents required to be given to the Shareholders in the preceding paragraph, if the Company announces the same content as in those documents on a website designated by the Taiwan competent authorities and those documents are available at the venue of the general meeting for Shareholders' inspection, those documents shall be deemed as having been given to Shareholders.

120. The accounts of the Company shall be audited at least once in every year.
121. The Audit Committee shall at all reasonable times have access to and may make copies of all books, accounts and vouchers and documents kept by the Company; and the Audit Committee may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
122. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the

Company, a practicing lawyer and a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

123. Any Shareholder(s) holding three percent (1%) or more of the total number of the issued Shares of the Company for six (6) consecutive months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

If the Independent Director who has been requested by such Shareholder(s) in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Shareholder(s), such Shareholder(s) may file such litigation on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

124. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Rules of Audit Committee.

DIVIDENDS

125. Subject to the Act, these Articles and to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

- 125A Notwithstanding the preceding Article (125), the Directors may distribute part or all of the dividends or bonus by way of cash with the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors, and report the aforementioned distribution to the Shareholders at the next general meeting.

126. Subject to Article 129, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

127. Any dividend payable in cash to the holder of Shares may be paid (a) by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders (or if there is no such representative, then to the joint holder whose name stands first in the Register in respect of the Shares) at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may in writing direct, or (b) by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or person entitled to such payment. Every such cheque or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct, and shall be sent at his or their risk and payment of the cheque or telegraphic transfer or electronic transfer or remittance by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
129. The Company shall set aside no more than 10% of its annual profits before tax as bonus to employees of the Company and set side no more than 2% of its annual profits before tax as bonus to Directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The distribution of bonus to employees may be made by way of cash or Shares. To qualify for the distribution of bonus, employees must meet certain conditions as prescribed by the Company. The distribution of bonus to employees shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and shall be reported to the Members at the general meeting.
- 129.A As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or shares in lieu of the cash amount of any dividend according to the Company's future expenditure budgets and funding needs.

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

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off cumulative losses of previous years (if any);

(c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;

(d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and

(e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus the previously cumulative undistributed Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or shares in lieu of the cash amount of any dividend, and the amount of dividends shall be at least twenty percent (20%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%) of the total dividends allocated to Shareholders.

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

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. The Board of Directors shall prepare and present the financial statements and records of the Company at the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the surplus earnings distribution and/or loss offsetting. For so long as the Shares are registered in the Emerging Stock Market or listed in the Taipei Exchange or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be effected by way of making public announcements by the Company.
134. Subject to the Applicable Listing Rules, the Board shall keep copies of the yearly business report, financial statements and other relevant documents at the office of its Shareholders' Service Agent in Taiwan at least ten (10) days before the annual general meeting and any of its Shareholders is entitled to inspect such documents from time to time during the normal business hours of the said Shareholders' Service Agent.
135. Save for the preceding Article 134 and Article 148, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall

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

136. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
137. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

INTERNAL AUDIT

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

CAPITALISATION OF RESERVES

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

TENDER OFFER

140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the Taipei Exchange or TSE, subject to the Applicable Listing Rules, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or refuse the tender offer and make a public announcement of the following:

- (a) The types and amount of the Shares held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.
- (b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
- (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) The types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.

SHARE PREMIUM ACCOUNT

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

NOTICES

- 143. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have provided to the Company or have positively confirmed in writing for the purpose of such service of notices to him. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register (or if there is no such representative, then to the joint holder whose name stands first in the Register) in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
- 144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
- 145. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or other document, if served by:

- (a) post or courier, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
- (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
- (c) recognised courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
- (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

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

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

147. Notice of every general meeting of the Company shall be given to:

- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
- (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

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

INFORMATION

148. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of share certificates and corporate bonds issued by the Company. Any Shareholder may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the foresaid Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of the share certificates and corporate bonds issued by

the Company. The Company shall cause its Shareholders' Service Agent to provide the aforesaid documents.

149. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
150. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

INDEMNITY OR INSURANCE

151. The Company may by Ordinary Resolution adopt one (1) of the protection mechanisms as described in Article 152 (a) and (b).
152. (a) Every Director and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") may be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, fraud or wilful default.
- (b) The Company may purchase directors and officers liability insurance ("**D&O insurance**") for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Act and the Applicable Listing Rules.

FINANCIAL YEAR

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

WINDING- UP

154. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in

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

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

AMENDMENT OF ARTICLES OF ASSOCIATION

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

REGISTRATION BY WAY OF CONTINUATION

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

LITIGIOUS AND NON-LITIGIOUS AGENT

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

In case of any change of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent, the Company shall report to the Commission in respect of such change.

CORPORATE SOCIAL RESPONSIBILITY

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

【Appendix 2】

Topbi International Holdings Limited

Rules of Procedure for Shareholders Meetings

Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law, the shareholders' meeting shall be convened by the Board of Directors.

Any change in the manner of holding the shareholders' meeting of the Company shall be decided by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.

The Company shall, 30 days before the regular meeting of shareholders or 15 days before the extraordinary meeting of shareholders, make an electronic file of the notice of meeting of shareholders, the proxy paper, the motions relating to the admission of directors, the motions for discussion, the matters concerning the election or removal of directors and the explanations thereof and transmit them to the Open Information Observatory. By 21 days before the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, make an electronic file of the handbook and supplementary information of the meeting and transmit it to the Open Information Observatory, However, if the company has a paid-up capital of more than NT \$10 billion as of the end date of the most recent fiscal year or has a combined foreign and mainland shareholding ratio of more than 30 percent in the shareholders' book of the most recent fiscal year, the electronic file shall be sent before the completion of the shareholders' regular meeting. 15 days prior to the meeting of shareholders, the procedures manual and supplementary materials of the meeting shall be ready for the shareholders to obtain at any time and put on display in the Company and its share agents.

The Company shall, on the day of the meeting of shareholders, provide the procedures manual and supplementary materials mentioned above for shareholders' reference in the following manner:

I. When holding a substantial shareholders' meeting, it shall be issued on the spot of the shareholders' meeting.

II. When a video supplementary meeting is held, it shall be distributed at the site of the meeting and transmitted to the video meeting platform as an electronic file.

III. When holding a video meeting of shareholders, electronic files shall be transmitted to the video meeting platform.

The notice and announcement shall specify the cause of the call; The notification may be made electronically with the consent of the other party.

Election or removal of directors, alteration of articles of association, reduction of capital, application for suspension of public offering, directors' permission for business competition, transfer of surplus to capital increase, transfer of reserve to capital increase, dissolution of the company, merger, division of the company or any of the items mentioned in paragraph 1 of Article 185 of the Company Law shall be listed and explained in the causes for the meeting and shall not be put forward in a provisional motion. The main content of the securities shall be placed on the website designated by the securities authority or company, and the website shall be stated in the notice.

The general re-election of directors and the date of appointment have been specified in the cause of the convening of the shareholders' meeting. After the completion of the re-election of the shareholders' meeting, the date of appointment of directors shall not be changed by provisional motion or other means at the same meeting.

A shareholder holding more than one percent of the total number of shares issued may submit to the Company a motion at the ordinary meeting of the shareholders, subject to the limitation of one motion, and no motion shall be included if more than one motion is submitted. But the board still has to include shareholder proposals that urge the company to advance the public interest or fulfil its social responsibilities. Another shareholder's proposal has one of the circumstances of Article 172, Paragraph 1, Paragraph 4 of the Company Law, the board of directors may not be listed as a proposal.

The Company shall, prior to the ordinary meeting of shareholders, announce the acceptance of shareholders' proposals, the written or electronic method of acceptance, the venue of acceptance and the duration of acceptance; The period of acceptance shall not be less than ten days.

A proposal submitted by a shareholder shall be limited to 300 words, and any proposal exceeding 300 words shall not be included in the proposal; The proposer shall attend the general meeting of Shareholders in person or by proxy and participate in the discussion of the proposal.

The Company shall, prior to the date of the call of the shareholders' meeting, inform the proposing shareholders of the result of the handling and shall include in the notice of the meeting any motions subject to this clause. For shareholders' proposals not included in the motions, the Board of Directors shall explain the reasons for not being included in the shareholders' meeting.

Article 4 At each shareholders' meeting, a shareholder may issue a power of attorney issued by the Company, specifying the scope of authorization, and appoint an agent to attend the shareholders' meeting.

A shareholder may issue a power of attorney, limited to one person, which shall be sent to the Company five days before the meeting of the shareholders meeting. In case of duplicate power of attorney, the first one to be sent shall prevail. However, the statement before the revocation of the entrusting person is not subject to this limitation.

After the proxy has been served on the Company, a shareholder who wishes to attend the shareholders' meeting in person or exercise the right to vote by written or electronic means shall, two days before the meeting of the shareholders, give notice in writing to the Company of the revocation of the proxy; If the cancellation is delayed, the voting right of the entrusted agent shall prevail.

After the power of attorney has been served on the Company, a shareholder wishing to attend the shareholders' meeting by video conference shall, two days prior to the meeting, give notice in writing to the Company of the revocation of the power of attorney; If the cancellation is delayed, the voting right of the entrusted agent shall prevail.

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

The meeting of shareholders shall be held at the place of the Company or at such place as is convenient and suitable for the attendance of the shareholders and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m. Such place and time shall take full account of the opinion of the independent directors.

When the Company holds a video meeting of shareholders, it is not limited by the location of the above mentioned meeting.

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

The Company shall specify in the notice of meeting the reporting time, reporting place and other matters needing attention of the accepting shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders).

The time for accepting the registration of shareholders in the preceding paragraph shall be at least 30 minutes before the beginning of the meeting. The report place shall be clearly marked and shall be handled by competent personnel. Registration for the video meeting of the shareholders' meeting shall be accepted on the video meeting platform 30 minutes prior to the beginning of the meeting. Shareholders who complete the registration shall be deemed to have attended the meeting in person.

The shareholder shall present the attendance certificate, attendance card or other attendance certificate to attend the shareholders' meeting; The person who is the solicitor of a power of attorney should bring his or her identity document for verification.

The Company shall provide an autograph book for signature by the present shareholders, or a signature card for signature by the present shareholders.

The Company shall deliver to the shareholders present at the meeting the handbook, the annual report, the attendance certificate, the speech note, the votes cast and other materials of the meeting, and if there is an election of directors, the votes shall be attached.

If the government or legal person is a shareholder, there is not limited to one representative to attend the shareholders' meeting. When a legal person is entrusted to attend a shareholders' meeting, only one representative may be appointed to attend. If the shareholders' meeting is held by video conference, the shareholders who wish to attend by video conference shall register with the Company two days before the meeting of the shareholders.

If the shareholders' meeting is held by video conference, the Company shall upload the procedure manual, annual report and other relevant materials to the video conference platform at least 30 minutes before the beginning of the meeting, and continue to disclose them until the end of the meeting.

Article 6-1 (Hold video conference of shareholders' meeting and call the matters contained in the notice)

If the Company holds a video conference of the shareholders' meeting, the notice shall set forth the following matters in the shareholders' meeting.

I. Shareholder participation in video conference and method of exercising rights.

II. The way to deal with obstacles caused by sending or participating in the video conference platform due to natural disasters, accidents or other force majeure events shall include at least the following:

(1) The time at which the meeting shall be adjourned or resumed and, if so, the date at which the meeting shall be adjourned or resumed.

(2) Any shareholder who has not registered to attend the original shareholders' meeting by video shall not participate in the adjournment or renewal of the meeting.

(3) If it is not possible to continue the video meeting, the shareholders' meeting shall continue after deducting the number of shares present at the shareholders' meeting by video and the total number of shares present reaches the statutory quota of the shareholders' meeting. The number of shares present at the shareholders' meeting by video shall be counted into the total number of shares present, and all the motions of the shareholders' meeting shall be deemed as abstention.

(4) In the event that the outcome of all motions has been declared, but no provisional motions have been moved, the manner of handling.

III. To hold a video meeting of shareholders and to set forth appropriate alternatives for shareholders who have difficulty attending the meeting by video.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation,

the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity.

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

The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote counting from the time of acceptance of shareholder registration.

The above-mentioned audio and video data should be kept for at least one year. However, if a shareholder brings an action in accordance with Article 189 of the Company Law, it shall be kept until the end of the action.

If the shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, registration, reporting, questions, voting and counting results of the Company, and shall make continuous and uninterrupted audio and video recordings of the whole meeting.

The Company shall keep the above information and audio recordings properly during its existence and provide the audio recordings and video recordings to the entrusted parties for storage.

Article 9 The attendance of the shareholders' meeting shall be based on the shares. The number of shares present is calculated based on the number of shares registered in the signature book or signed card and the video conference platform, plus the number of shares exercising the right to vote in writing or electronically.

The Chairman shall declare the meeting to be convened immediately after the session has been held, provided that if a majority of the number of shares issued is not present, the Chairman may declare the meeting to be adjourned not more than twice but for a period not exceeding one hour in total. If the shareholders representing more than one third of the total number of shares issued are present after the second delay, the chairman shall announce the cancellation of the meeting; If the shareholders' meeting

is held by video conference, the Company shall also announce the suspension of the meeting on the video conference platform.

If the shareholders representing more than one third of the total number of shares issued are present at the meeting after the second delay in the preceding paragraph, it may be regarded as a false resolution in accordance with paragraph 1 of Article 175 of the Company Law, and the false resolution shall be notified to each shareholder to convene a shareholders' meeting within one month; If the shareholders' meeting is held by video conference, the shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

If, before the end of the meeting, the number of shares represented by the members present reaches more than half of the total number of shares issued, the Chairman may put the resulting false resolution to a new vote in accordance with Article 174 of the Company Law.

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before attending a shareholder's speech, the speaker's statement should be filled out, indicating the gist of the speech, the shareholder's account number (or attendance certificate number) and the name of the account. The chairman will decide the order of the speaker.

The present shareholder shall be deemed not to have spoken if he only presents a statement without speaking. If the contents of the speech are inconsistent with those recorded in the speech rules, the contents of the speech shall prevail.

Without the consent of the Chairman, each shareholder shall not make more than two speeches for more than five minutes each time on the same motion. However, if the shareholder makes a speech that violates the regulations or goes beyond the scope of the subject matter, the Chairman may stop the shareholder.

When a shareholder is present to make a speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the shareholder who speaks, and the Chairman shall stop the violation.

When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same motion.

After a shareholder has spoken, the Chairman may reply in person or by appointment. In case of a shareholders' meeting held by video conference, shareholders who participate in the meeting by video conference may ask questions in text on the video conference platform of the shareholders' meeting between the announcement of the meeting by the Chairman and the announcement of the adjournment of the meeting. The number of questions for each motion shall not exceed two times and shall be limited to 200 words each time. Provisions 1 to 5 do not apply.

Article 12 (Calculation of voting shares and recusal system)

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

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 Shareholders shall have one vote per share; Except those who are subject to restrictions or who are not entitled to vote as listed in item 2 of Article 179 of the Company Law.

The Company shall exercise its voting rights electronically and may exercise its voting rights in writing when holding meetings of shareholders; If the voting right is exercised in writing or electronically, the method of exercise shall be specified in the notice of convening of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the

shareholders' meeting in person. However, the provisional motion and amendment of the original motion at the meeting shall be deemed a waiver and therefore the Company should refrain from making the provisional motion and amendment of the original motion.

If the voting right is exercised in writing or electronically as mentioned in the preceding paragraph, the expression of intention shall be delivered to the Company two days before the shareholders' meeting. If there is any repetition of the expression of intention, the person who delivered the expression first shall prevail. Except those who have expressed their intention before the declaration is revoked.

A shareholder who has exercised his voting right in writing or electronically, if he wishes to attend the meeting in person or by video, shall, two days before the meeting of the shareholders, revoke the aforesaid expression of intention to exercise the voting right in the same manner as the exercise of the voting right; If the cancellation is delayed, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in writing or electronically and an agent is authorized by proxy to attend the shareholders' meeting, the voting right to be exercised by the entrusted agent shall prevail.

Unless otherwise provided for in the Company Law and the Articles of Association, a motion shall be passed with the consent of more than half of the votes of the shareholders present. At the time of voting, the Chairman or his designee shall announce the total number of voting rights of the present shareholders on a case-by-case basis, and the shareholders shall vote on the case by case basis, and the results of the approval, opposition and abstention of the shareholders shall be entered into the Open Information Observatory on the day after the meeting of shareholders is held.

When there are amendments or substitutes to the same bill, the Chairman shall determine the order of voting with the original bill. If one of the bills has been passed, the other bills shall be considered vetoed and shall not be voted on.

The supervisors and counting officers for the voting of motions shall be appointed by the Chairman, provided that the supervisors shall have the status of shareholders.

The counting of votes or election motions at the shareholders' meeting shall be done in a public place at the meeting, and the results of the voting shall be announced on the spot after the counting of the votes, including the counting weights, and shall be recorded.

The Company holds a video meeting of the shareholders. Shareholders who participate in the meeting by video shall, after the Chairman announces the meeting, vote on the motions and vote on the election motions through the video meeting platform, and shall complete the voting before the Chairman announces the closing of the voting. If the time is overdue, it shall be deemed as abstention.

Where the shareholders' meeting is held by video conference, the votes shall be counted in one go and the result of the vote and election shall be announced after the Chairman has declared the voting closed.

Any shareholder who has registered to attend the shareholders' meeting by video in accordance with Article 6 at the time of holding the auxiliary shareholders' meeting

shall, two days before the meeting of the shareholders, cancel his registration in the same manner as if he had registered; If the cancellation is delayed, the shareholders' meeting can only be attended by video.

A person who has exercised his voting right in writing or electronically, has not revoked his expression of intention, and has participated in the shareholders' meeting by video, shall not exercise his voting right in respect of, or propose amendments to, or exercise his voting right in respect of amendments to, the original motion, except for temporary motions.

Article 14 (Election of directors and supervisors)

When the shareholders' meeting elects directors, it shall do so in accordance with the relevant rules for the election set by the Company, and shall announce the election results at the meeting, including the list of directors elected and the number of their elected powers.

The election votes mentioned in the preceding election matters shall be sealed and signed by the vote supervisors and properly kept for at least one year. However, if a shareholder brings an action in accordance with Article 189 of the Company Law, it shall be kept until the end of the action.

Article 15 The matters decided at the shareholders' meeting shall be made into a record which shall be signed or sealed by the chairman and distributed to all shareholders within 20 days after the meeting. Proceedings may be prepared and distributed electronically. For the distribution of the above Hansard, the Company may enter the Public Information Observatory's announcement mode.

The minutes shall be duly recorded by the year, month, day, place, name of the Chairman, method of resolution, gist of the proceedings and result of the vote (including the counted weights) of the meeting, and shall disclose the number of votes of each elected person if there is an election of directors. It shall be kept permanently during the existence of the Company.

If the shareholders' meeting is held by video conference, in addition to the items to be recorded in accordance with the provisions of the preceding paragraph, the proceedings shall also record the beginning and end time of the meeting, the method of holding the meeting, the name of the chairman and the record, and the method and circumstances of dealing with the obstruction caused by sending to the video conference platform or participating in the video conference by means of video conference due to acts of God, accidents or other force majeure.

The Company shall, in addition to conducting the video meeting in accordance with the provisions of the preceding paragraph, state in the journal the alternative measures provided to shareholders who may have difficulty in participating in the meeting by video.

Article 16 (Public disclosure)

The number of shares solicited, the number of shares represented by the entrusted agent and the number of shares attended by shareholders in written or electronic form

shall be clearly disclosed by the Company on the day of the meeting in accordance with the prescribed form of statistical tables; If the shareholders' meeting is held by video conference, the Company shall upload the aforesaid information to the video conference platform at least 30 minutes prior to the beginning of the meeting and continue to disclose it until the end of the meeting.

The Company holds a video conference of the shareholders' meeting, and when announcing the meeting, it shall disclose the total number of shareholders' shares present on the video conference platform. The same applies if the total number of shares and voting rights of the shareholders present are counted in the meeting.

If there is any material information on the matters decided by the shareholders' meeting, which is stipulated by laws and regulations and stipulated by Taiwan Stock Exchange Co., LTD. (Securities Counter Trading Center of the Republic of China), the Company shall transmit the content to the Open information Observatory within the specified time.

Article 17 (Maintaining order at the meeting place)

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting. If the same at the place of the shareholders meeting.

Article 18 (Recess and resumption of a shareholders meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 If the shareholders' meeting is held by video conference, the Company shall, immediately after the close of voting, disclose the voting results of the motions and election results on the video conference platform as required, and shall continue to

disclose the results for at least 15 minutes after the chairman announces that the meeting is adjourned.

Article 20 When the Company holds a video meeting of shareholders, the Chairman and the recorder shall be at the same place in the country and the Chairman shall announce the address of such place at the time of the meeting.

Article 21 If the shareholders' meeting is held by video conference, before the Chairman announces the meeting is adjourned, due to natural disaster, an event or other force majeure, there is an obstruction to the platform of the video conference or to the participation by video conference for more than 30 minutes, the date of the meeting shall be postponed or renewed within five days. Article 182 of the Company Law shall not apply.

Any shareholder who has not registered to attend the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.

The number of shares present at the original shareholders' meeting, the voting rights and the voting rights exercised at the meeting shall be included in the total number of shares, voting rights and voting rights of the shareholders present at the meeting, if the shareholders have registered to participate in the original shareholders' meeting by video and completed the registration according to the provisions of Item 1.

In the case of adjournment or renewal of a shareholders' meeting pursuant to paragraph 1, there is no need to re-discuss and re-decide a motion on which the votes have been cast and counted and the results of the vote or the list of directors elected have been announced.

If the Company holds an auxiliary meeting of shareholders by video conference and the meeting cannot be continued in the event of item 1, if the total number of shares present at the meeting still reaches the statutory quota for the meeting after deducting the number of shares present at the meeting by video conference, the meeting shall continue and there is no need to postpone or renew the meeting in accordance with Item 1.

If a shareholder who participates in the shareholders' meeting by video in the event of continuing the meeting as mentioned in the preceding paragraph, the number of shares present shall be counted as the total number of shares present, provided that all the motions of the shareholders' meeting shall be deemed to have abstained.

If the Company adjourn or renew the meeting in accordance with the provisions of Item 1, it shall conduct the relevant preparatory work in accordance with the date of the original shareholders' meeting and the provisions of this article in accordance with the provisions of Item 44 (27) of the stock Handling Guidelines of publicly issued stock companies.

During the period set forth in Paragraph 12, Paragraph 12, Item 3 of Article 13, and Article 44 to 5 (2), Article 44 to 15, and Article 44 to 17 (1) of the Rules for the Use of Power of Attorney by a publicly issued Company at a Shareholders' meeting, the Company shall handle the date of the shareholders' meeting to be postponed or renewed in accordance with the provisions of Item 2.

Article 22 After deliberation by the audit committee of the Company, these Measures shall be submitted to the Board of directors for approval before implementation and submitted to the shareholders' meeting.

These rules were enacted on May 23, 2013.

Amended on June 22, 2020.

Amended on June 29, 2022.

【Appendix 3】

Topbi International Holdings Limited

Procedure for Election of Directors Election

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

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

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.

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

- (i) The ability to make judgments about operations.
- (ii) Accounting and financial analysis ability.
- (iii) Business management ability.
- (iv) Crisis management ability.
- (v) Knowledge of the industry.
- (vi) An international market perspective
- (vii) Leadership ability.
- (viii) Decision-making ability.

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

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

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

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

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholder meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

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

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

Article 8 The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

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

Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person

shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11 A ballot is invalid under any of the following circumstances:

- i. The ballot was not prepared by the board of directors.
- ii. A blank ballot is placed in the ballot box.
- iii. The writing is unclear and indecipherable or has been altered.
- iv. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
- v. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- vi. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 13 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 15 These measures were formulated on May 23, 2013.

The first revision was made on June 19, 2014.

【Appendix 4】

Topbi International Holdings Limited

Shareholdings of All Directors

1. The company has issued a total of 109,493,838 shares.
2. The company has an audit committee to replace the supervisor, so there is no supervisory shareholding situation.
3. As of the closing date of this ordinary shareholders' meeting, the shareholding of individual and all directors as recorded in the book of shareholders' names is as follows:

Closing day : 26-04-2024

Title	Name	Respective Shareholdings	Ratio of Shareholdings
President	Lien Chih Chi	0	0
Independent Director	Chen DongSheng	0	0
Independent Director	Wu Chin Shan	0	0
Independent Director	Lai Tiao Tsan	0	0
Total		0	0

Note 1: The provisions of article 26 of the same law regarding the minimum percentage of shares held by all directors are not required to apply in accordance with article 165 of the securities and exchange act of the company.