

THE COMPANIES ACT (REVISED)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED  
MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

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**APEX INTERNATIONAL CO., LTD.**

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**(Adopted by Special Resolution dated May 28, 2025)**

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THE COMPANIES ACT (REVISED)  
COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION  
OF  
Apex International Co., Ltd.  
(Adopted by Special Resolution dated May 28, 2025)**

1. The name of the Company is Apex International Co., Ltd.
2. The Registered Office shall be at the offices of Portcullis (Cayman) Ltd, The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Act (Revised).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NTD4,000,000,000.00 divided into 400,000,000 shares of a nominal or par value of NTD10.00 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.
9. The end of the Company's financial year shall fall on December 31 of each year.

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**THE COMPANIES ACT (REVISED)**  
**COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
APEX INTERNATIONAL CO., LTD.  
(Adopted by Special Resolution dated May 28, 2025)

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**INTERPRETATION**

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Act (Revised) shall not apply to the Company.
2. (a) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:
  - (i) Applicable Law the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
  - (ii) Applicable Public Company Rules the ROC laws, rules and regulations (including, without limitation, the Company Act, the Securities and Exchange Law, the rules and regulations promulgated by the FSC and rules and regulations promulgated by the TPEX or TWSE (as applicable), as amended from time to time) affecting the public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
  - (iii) Articles these articles of association as from time to time amended by special resolution;
  - (iv) Audit Committee means the audit committee under the Board, which shall comprise solely the Independent Directors of the Company;
  - (v) Board the board of Directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
  - (vi) Capital Reserve means the premium paid on the issuance of any share and income from donation received by the Company;
  - (vii) Cayman Islands company means a company formed and registered under the Law or an existing Cayman Islands company;
  - (viii) Company Apex International Co., Ltd.;
  - (ix) Compensation Committee means the compensation committee under the Board;
  - (x) Dissenting Member has the same meaning as in Article 23.2;
  - (xi) Directors a director, including a sole director, for the time being of the Company and shall include any and all Independent Directors;

(xii)	Electronic Record	has the same meaning as in the Electronic Transactions Law;
(xiii)	Electronic Transactions Law	means the Electronic Transactions Act (Revised) of the Cayman Islands;
(xiv)	Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
(xv)	FSC	the Financial Supervisory Commission of the ROC;
(xvi)	Independent Directors	the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;
(xvii)	Law	the Companies Act (Revised) of the Cayman Islands and any amendment or other statutory modification thereof and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
(xviii)	Market Observation Post System	means the public company reporting system maintained by the Taiwan Stock Exchange Corporation, via <a href="http://newmops.tse.com.tw/">http://newmops.tse.com.tw/</a> ;
(xix)	Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such person, as the context so requires;
(xx)	Memorandum	the memorandum of association of the Company as from time to time amended by a special resolution;
(xxi)	Merger	means: (a) a "merger" or "consolidation" as defined under the Law; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
(xxii)	month	a calendar month;
(xxiii)	notice	written notice as further provided in these Articles unless otherwise specifically stated;
(xxiv)	Officer	any person appointed by the Board to hold an office in the Company;
(xxv)	ordinary resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast;
(xxvi)	PRC	means the People's Republic of China;
(xxvii)	Preferred Shares	has the meaning given thereto in Article 5.2;
(xxviii)	Private Placement	means the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
(xxix)	Register of Directors and	the register of directors and officers referred to in these

	Officers	Articles;
(xxx)	Registered Office	the registered office of the Company for the time being;
(xxxi)	Register of Members	the principal register and where applicable, any branch Register of Members to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time and referred to in these Articles;
(xxxii)	Restricted Shares	has the meaning given thereto in Article 3.9;
(xxxiii)	ROC	means Taiwan, the Republic of China;
(xxxiv)	Seal	the common seal or any official or duplicate seal of the Company;
(xxxv)	Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
(xxxvi)	share	a share in the Company and includes a fraction of a share;
(xxxvii)	Shareholders' Service Agent	means, in respect of any class of share capital, the principal place of business of such security agent of the Company located in the ROC as the Board may from time to time determine to keep a Register of Members in respect of that class of share capital in accordance with the Law;
(xxxviii)	special resolution	<p>a resolution shall be a special resolution when it has been passed by a majority of not less than two-thirds of the votes cast by such Member as, being entitled so to do, vote in person or, in the case of such Members are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present and not less than fifteen days' notice specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given;</p> <p>a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles;</p>
(xxxix)	Subsidiary	means, with respect to any company, (1) the entity, one-half or more of whose total number of the issued voting shares or the total amount of the capital stock are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one-half or more of whose executive shareholders or board directors are concurrently acting as the executive shareholders or board directors of such company; and (4) the entity, one-half or more of whose total number of issued voting shares or the total amount of the capital stock are held by the same shareholder(s) of such company;
(xl)	supermajority resolution	a resolution adopted by a vote of the Members who represent one-half or more of the total number of issued shares entitled to vote at a general meeting attended by Members who represent two-thirds or more of the total number of issued shares of the Company or, if the total number of shares represented by the Members present at the general meeting is

- less than two-thirds of the total number of issued shares of the Company, but more than one-half of the total number of issued shares of the Company, means instead, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the total number of issued shares entitled to vote on such resolution;
- (xli) TDCC the Taiwan Depository and Clearing Corporation;
  - (xlii) TPEx the Taipei Exchange (formerly GreTai Securities Market);
  - (xliii) Treasury Share a share that was previously issued but was repurchased, redeemed or surrendered and not cancelled;
  - (xliv) TWSE the Taiwan Stock Exchange Corporation; and
  - (xlv) year a calendar year.
  - (xlvi) Non TWSE-Listed or TPEx-Listed Company a company whose shares are neither listed on the TWSE nor the TPEx;
  - (xlvii) share swap an act wherein the shareholders of a company transfer all of the company's issued shares to another company, such company issue its shares or pays cash or other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Public Company Rules;
  - (xlviii) spin-off an act wherein a transferor company transfers all or part of its independently operated business to an existing or a newly incorporated company and that existing transferee company or newly incorporated transferee company issues shares, or pays cash or other property to the transferor company or to shareholders of the transferor company as consideration in accordance with the Applicable Public Company Rules;
- (b) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (c) In these Articles unless the context otherwise requires:-
- (i) words importing the singular number shall include the plural number and vice-versa;
  - (ii) words importing the masculine gender only shall include the feminine gender;
  - (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not;
  - (iv) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form, including the form of an Electronic Record; and
  - (v) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (d) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

## **SHARES**

### **3. Power to Issue Shares**

- 3.1 Subject to these Articles, the Applicable Public Company Rules and the Law, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue shares, with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the Directors, on such terms and conditions as the Directors may in their absolute discretion determine, and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by the resolution of the Members prescribe, provided that, (i) no shares shall be issued at a discount, and (ii) subject to the Law and Applicable Public Company Rules, the offer and issue price to each share of the same class to be issued in a given offering of shares shall be the same. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company. So long as the shares have been listed on the TPEX or TWSE, notwithstanding anything contained in these Articles and subject always to the laws of the Cayman Islands, the details of the holders of scrippless shares which are traded shall be recorded by the TDCC in accordance with the Applicable Public Company Rules and the Company shall recognize as a Member each person identified as a holder of a share in the records provided by the TDCC to the Company and such records shall form part of the Register of Members.
- 3.2 Unless otherwise resolved by the Members in general meeting by ordinary resolution, the Company shall, when increasing its issued share capital by issuing new shares in the ROC (other than those new shares issued resulting from or in connection with any merger, consolidation, spin-off, amalgamation, asset acquisition, group reorganization, share swap, share subdivision, exercise of share options, warrants or awards, conversion of convertible securities or debt instruments or pursuant to resolutions of the Board passed conditionally or unconditionally before the date on which these Articles became effective), subject to the allocation of the public offering portion, as provided in Article 3.3 below, and the newly issued shares as the Company may set aside for the employees of the Company and/or of the Company's Subsidiaries pursuant to the Employee's Pre-emptive Rights (as defined below), grant to the Members pre-emptive rights (the "Members Pre-emptive Rights") to subscribe for remaining new shares of the Company in proportion respectively to their then shareholdings and notify Members, by public announcement in such manner as may be permitted by the Applicable Public Company Rules and give notice to the Members. The Company shall state in such announcement and notices to the Members, among other things, the procedures for exercising such Members Pre-emptive Rights. In the event that shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one new share to be issued, shares held by several Members may be calculated together for joint purchase of shares to be issued or for purchase of shares to be issued in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed shares to a specific person or persons in accordance with the Applicable Public Company Rules. In addition, the Company may, if so resolved by the Board, grant to the employees of the Company and/or of the Company's Subsidiaries pre-emptive rights to subscribe for 10% to 15% of the total number of such shares to be issued for subscription (the "Employees Pre-emptive Rights").

If any person who has subscribed the new shares (by exercising the Members Pre-emptive Rights or subscribing the public offering portion or the Employees Pre-emptive Rights) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon

forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.

- 3.3 Where the Company increases its issued share capital by issuing new shares in the ROC (other than those new shares issued resulting from or in connection with any merger, consolidation, spin-off, amalgamation, asset acquisition, group reorganization, share swap, share subdivision, exercise of share options, warrants or awards, conversion of convertible securities or debt instruments) unless the ROC competent authority deems the public offering of the new shares to be unnecessary or inappropriate, the Company shall allocate 10% of the total number of new shares to be issued or any percentage that may be greater than 10% of the total number of new shares to be issued as resolved by the Members by way of ordinary resolution at a general meeting for public offering within the ROC in accordance with the Applicable Public Company Rules.
- 3.4 The Company shall not issue any unpaid shares or partly paid-up shares.
- 3.5 Notwithstanding Article 3.9 hereof, subject to the Applicable Public Company Rules and the Law, the Company may, by a majority vote cast at a meeting of the Board with two-third (2/3) or more of the Directors present at the Board meeting, adopt one or more incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, provided that in no event shall (i) the number of shares to be issued pursuant to each of any such programmes exceed ten percentage (10%) of then total issued and outstanding shares of the Company and (ii) the aggregate number of shares to be issued pursuant to any board approved incentive programmes exceed fifteen percentage (15%) of the then total issued and outstanding shares of the Company.
- 3.6 Options, warrants or other similar instruments issued in accordance with Article 3.5 are not transferable save by inheritance.
- 3.7 The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 3.5, whereby employees may subscribe, within a specific period of time, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- 3.8 [deleted]
- 3.9 Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution; provided that Article 3.3 hereof shall not apply in respect of the issue of such shares. The terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.

#### 4. Redemption and Purchase of Shares and Treasury Shares

- 4.1 Subject to the Law, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 4.2 Subject to the provisions of the Applicable Law and these Articles, the Company is hereby authorised to, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, repurchase its own shares (including the shares listed on the TPEX or TWSE) on such terms and in such manner as the Directors may determine.
- 4.3 The manner and terms of purchase, including the redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Directors at or before the time of issue.
- 4.4 Every share certificate representing a redeemable share shall indicate that the share is redeemable.
- 4.5 In the event that the Company proposes to repurchase the share listed on the TPEX or TWSE pursuant to Article 4.2, the resolution of the Board approving such proposal and the implementation thereof shall be reported to the Members in the next general meeting in



accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to repurchase the shares listed on the TPEx or TWSE for any reason.

- 4.6 The redemption price may be paid in any manner authorised by these Articles for the payment of dividends.
- 4.7 A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks in the ROC for thirty day deposits in the same currency.
- 4.8 The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 4.9 Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 4.10 Shares that the Company purchases or redeems pursuant to these Articles may be held as Treasury Shares until such Treasury Shares are either cancelled or transferred in accordance with the Law.
- 4.11 A treasury share shall not be voted, directly or indirectly, at any general meeting of the Company and shall not be counted in determining the total number of issued shares at any given time.
- 4.12 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Shareholders on a winding up) may be made to the Company, in respect of a Treasury Share.
- 4.13 A proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price shall be approved by special resolution in the most recent general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an ad hoc motion. The aggregate number of Treasury Shares resolved at the general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued and outstanding shares, and each employee may not subscribe for more than 0.5% of the total issued and outstanding shares in aggregate. The Company may prohibit such employees from transferring such shares formerly held as Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.

## 5. Rights Attaching to Shares

- 5.1 Subject to Article 3.1, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:
  - (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Members at general meeting may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 5.2 Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause the rights and obligations of Preferred Shares to be set forth

in these Articles.

5.3 The rights and obligations of Preferred Shares may include (without limitation to) the following terms and shall comply with the Applicable Public Company Rules to the extent permissible under the Law:

- (a) the order of priority and the amount or rate of the Dividends and bonus on Preferred Shares;
- (b) the preferences, if any, and the amounts thereof, which the Preferred Shares shall be entitled to receive upon the winding up of the Company;
- (c) the voting power, if any, of the Preferred Shares and any restriction on the voting power of the Preferred Shares;
- (d) whether or not the Preferred Shares are redeemable and, if they are redeemable, the circumstances and the manner in which the Company is authorized or compelled to redeem the Preferred Shares; and
- (e) other terms, conditions, rights and obligations concerning the Preferred Shares.

## 6. Share Certificates

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

6.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed, the Board may cause a new share certificate to be issued on payment on such fee, if any, and on such terms, if any, as to evidence and indemnity, as it sees fit.

6.3 Share certificates may not be issued in bearer form. The Company shall not convert its shares into shares without par value.

6.4 The Company shall deliver the share certificates in physical form or by way of book-entry to the subscribers within thirty days from the date such share certificates may be issued pursuant the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules. Where the shares are issued in scripless form and where applicable, the Company shall procure and instruct the relevant depositary or clearing house to make the necessary book entries to reflect the entitlement of the relevant Member in accordance with the Applicable Public Company Rules.

## 7. Fractional Shares

The Company may issue its shares in fractional denominations and 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.

# REGISTRATION OF SHARES

## 8. Register of Members

The Board shall cause to be kept in one or more books a Register of Members which, subject to Article 15.8, may be kept outside the Cayman Islands at such place as the Directors shall appoint including the Shareholders' Service Agent and shall enter therein the following particulars:

- (a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member.

9. Registered Holder As Absolute Owner

- 9.1 The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to or interest in, such share on the part of any other person.
- 9.2 No person shall be entitled to recognition by the Company as holding any share through any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:
  - (a) such notice shall be deemed to be solely for the holder's convenience;
  - (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary of the trust as having an interest in the share or shares concerned;
  - (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and
  - (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

10. Transfer and Transmissions of Shares

- 10.1 The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee; provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- 10.2 Shares shall be transferred in the following form, or in any usual or common form approved by the Board:

Transfer of a Share or Shares  
Apex International Co., Ltd. (the "Company")

FOR VALUE RECEIVED \_\_\_\_\_ [amount], [name of Transferor] hereby sell assign and transfer unto [Transferee] of [address], [number] shares of the Company.

DATED this [ ] day of [ ], 20[ ]

**Signed by:**

\_\_\_\_\_  
**Transferor**

\_\_\_\_\_  
**Transferee**

**In the presence of:**

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Witness**

- 10.3 The Directors may suspend the registration of transfers for a period not less than the minimum period of time immediately preceding a general meeting, as prescribed by the Applicable Public Company Rules (the "Book Closure Period").
- 10.4 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 case of a share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only persons recognised by the Company as having any title to the share.
- 10.5 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made.
- 10.6 A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company.
- 10.7 Notwithstanding the above, in the event that the Company's shares are listed on the TPEX or TWSE, the transfer and transmission of shares of the Company may be effected through the book-entry system of the TDCC in accordance with the Applicable Public Company Rules.

## **ALTERATION OF CAPITAL**

### **11. Power to Alter Capital**

- 11.1 Subject to the Law, the Company may from time to time by special resolution alter the conditions of its Memorandum of Association to increase its share capital by such amount as it thinks expedient.
- 11.2 Subject to the Law, the Company may from time to time by special resolution alter the conditions of its Memorandum of Association to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
  - (b) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- 11.3 Subject to the Law and without prejudice to other provisions of these Articles as regards the matters to be dealt with by special resolution, the Company may from time to time by special resolution reduce its share capital. Any such reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Public Company Rules. Capital Reduction may be conducted by way of distributing specific assets other than cash. The type of assets to be distributed and the quantum of such substitutive distribution shall be approved by general meeting and the consent from the Member who will receive such assets shall be obtained. The value of assets to be distributed and the quantum of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submit the same to a general meeting for approval.

11.4 Subject to the Law, the Applicable Public Company Rules and Article 11.5 below, the Company may not, unless authorised or approved by a supermajority resolution:

- (a) enter into, amend, or terminate any contract for lease of the Company's business in whole, or for the delegation of management of the Company's business, or for regular joint operation with others;
- (b) transfer its business or assets, in whole or in any essential part;
- (c) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operations;
- (d) resolve that any declared dividend be satisfied by the issuance of new shares credited as fully paid to the Members; or
- (e) effect any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), share swap or spin-off of the Company.

11.5 Subject to the Law and the Applicable Public Company Rules, the Company shall not, without passing a resolution adopted by a majority of not less than two-thirds of the total number of votes represented by the issued shares in the Company:

- (a) enter into a Merger, in which the Company is not the surviving company and is proposed to be struck-off and thereby dissolved, which results in a delisting of the shares of the Company on the TWSE, and the surviving or newly incorporated company is a Non TWSE-Listed or TPEX-Listed Company;
- (b) make a general transfer of all the business and assets of the Company, which results in a delisting of the shares of the Company on the TWSE, and the assigned company is a Non TWSE-Listed or TPEX-Listed Company;
- (c) be acquired by another company as its wholly-owned subsidiary by means of a share swap, which results in a delisting of the shares of the Company on the TWSE, and the acquirer is a Non TWSE-Listed or TPEX-Listed Company; or
- (d) carry out a spin-off, which results in a delisting of the shares of the Company on the TWSE, and the surviving or newly incorporated spun-off company is a Non TWSE-Listed or TPEX-Listed Company.

11.6 Subject to the provisions of the Law, the Company shall not, without special resolution by Members, issue equity-linked securities, including options, warrants and convertible bonds, in the manner of Private Placement pursuant to the Applicable Public Company Rules.

## 12. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a special resolution passed by the holders of the shares of that class. Notwithstanding the foregoing, if any modification or alteration in these Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a special resolution and shall also be adopted by a separate special resolution passed by Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

## MEETINGS OF MEMBERS

### 13. Annual General Meetings

13.1 The Company shall hold a general meeting as its annual general meeting within six months following the end of each financial year.

13.2 The Company shall hold an annual general meeting in each calendar year.

13.3 The general meetings shall be held at such time and place as the Board shall appoint provided that unless otherwise provided by the Law, the physical general meetings shall be held in the ROC. If the Board resolves to hold a physical general meeting outside the ROC, the Company shall apply for the approval of the TPEX or TWSE (as applicable) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional securities agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members). A general meeting may be held via video-conference or other methods announced by the competent authority of the ROC in charge of the Company Act; provided however that the Company shall comply with the requirements, procedures and other matters prescribed in the Applicable Public Company Rules. If a general meeting is held via video-conference, the Members who attend the meeting via video-conference shall be deemed to have attended the meeting in person.

#### 14. Extraordinary General Meetings

14.1 General meetings other than annual general meetings shall be called extraordinary general meetings.

14.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or desirable, and they shall on a Members requisition as defined in Article 14.3 forthwith proceed to convene an extraordinary general meeting of the Company.

14.3 A Members requisition is a requisition of Member(s) holding at the date of deposit of the requisition not less than 3% of the total issued shares at the time of requisition and whose shares shall have been held by such Member(s) for one consecutive year or more at the date of deposit of the requisition.

14.4 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office or the Shareholders' Service Agent, and may consist of several documents in like form each signed by one or more requisitionists.

14.5 If the Board does not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEX or TWSE (as applicable) for its prior approval.

14.6 Any one or more Member(s) may convene an extraordinary general meeting, provided that such Member or Members have continuously held more than 50% of the total issued and outstanding shares of the Company for a period of three months or more. The number of the shares held by a Member and the period of which a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period.

14.7 [deleted]

#### 15. Notice

15.1 At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.

15.2 At least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.

15.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.

- 15.4 A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by all the Members entitled to attend an annual general meeting or an extraordinary general meeting (as the case may be).
- 15.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 15.6 The Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed at the meetings, including but not limited to, election or discharge of Directors, before the time limit set forth in Article 15.1 and Article 15.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 15.1 and 15.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one days prior to annual general meetings or fifteen days prior to extraordinary general meetings, as the case may be. The Company shall upload the meeting handbook and supplemental materials to the Market Observation Post System thirty days prior to the annual general meeting if (i) the paid-in capital of the Company at the end of the most recent financial year is NTD2,000,000,000 or more or (ii) if the shares held by non-Taiwanese Members and PRC Members account for 30% or more of the total issued and outstanding shares of the Company as shown in the Register of Members under Article 15.3, when the meeting notice for the annual general meeting in the most recent financial year is issued.
- 15.7 Subject to Applicable Public Company Rules and the Law, ad hoc motions may be proposed by Members in general meetings; provided, however, that matters pertaining to (a) election or removal of Directors, (b) amendment of the Memorandum or Articles, (c) capital deduction, (d) application to terminate the public offering of the shares, (e) dissolution, Merger, share swap or spin-off, (f) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (g) transfer of the business or assets of the Company, in whole or in any essential part, (h) the acquisition or assumption of the transfer of the whole business or assets of a third party, which has a material effect on the operation of the Company (i) Private Placement of any equity-type securities issued by the Company, (j) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (k) payment of dividends or bonuses in whole or in part by way of issuance of new shares, and (l) distribution of Capital Reserve in the form of new shares or cash to its Members in accordance with Article 59, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The major content of the above matters may be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.
- 15.8 The Board shall keep a copy of the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Shareholders' Service Agent. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to review, transcribe or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.

15.9 The Company shall make available all statements and records prepared by the Board and reports prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and the Shareholders' Service Agent in accordance with Applicable Public Company Rules at least ten days before annual general meetings. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

15.10 If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

## 16. Giving Notice

16.1 A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Article, a notice may be sent by letter mail, courier service, facsimile, electronic mail or other mode of representing words in a legible form. The notice of the general meeting to be given to shareholders who own less than 1,000 shares may be given in the form of a public announcement stipulated in the Applicable Public Company Rules; for an annual general meeting and an extraordinary general meeting, such public announcement shall be made thirty days and fifteen days prior to the meeting, respectively.

16.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

16.3 Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by facsimile, electronic mail, or such other method as the case may be.

## 17. Postponement of General Meeting

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

## 18. Quorum and Proceedings at General Meetings

18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided for in these Articles, Members present in person or by proxy, representing more than one-half of the total issued shares, shall constitute a quorum for any general meeting.

18.2 The Board shall submit business reports, financial statements and proposals for distribution of profits or losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members as required by the Applicable Public Company Rules. After ratification by the general meeting, the Board shall publish the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or loss or distribute copies thereof to each Member.

18.3 A resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands.

18.4 If and to the extent permitted under the Cayman Islands law, nothing in these Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage



of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.

18.5 Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an ordinary resolution.

18.6 Member(s) holding 1% or more of the total number of the issued shares immediately prior to the relevant Book Closure Period may propose to the Company in writing or any electronic means designated by the Company a matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten days for Members to submit proposals. The Board shall include the proposal in the agenda of the annual general meeting unless (a) the proposing Member(s) holds less than 1% of the total number of the issued shares, (b) the subject matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibility, the Board may accept such proposal.

## 19. Chairman to Preside

The chairman at all meetings of the Members shall be appointed in accordance with the Rules and Procedures of Shareholders' Meeting of the Company.

## 20. Voting on Resolutions

20.1 Subject to any rights or restrictions attached to any shares, every Member who is present in person or by proxy shall have one vote for every share of which he is the holder. Notwithstanding Article 9.1 hereof, when shares are held for the benefit of others, a Member shall be entitled to divide its shareholding into two or more parts for the purpose of exercising its voting rights to the effect that it shall be entitled to exercise its votes in respect of each part as if it were separate and distinct shareholders. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall be subject to the Applicable Public Company Rules.

20.2 Votes may be cast either personally or by proxy. A Member may appoint another person as his/her/its proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend to vote at a general meeting; provided that a Member may appoint only one proxy under one instrument to attend and vote at a meeting.

20.3 Subject to the Law and the Articles, Members may vote by way of a written ballot, electronic transmission, or any other means in any other manner prescribed in the Rules and Procedures of Shareholders' Meeting, as amended by Directors and approved by Members. If required by the Applicable Public Company Rules, the Company shall adopt electronic transmission as one of the voting methods. The method for exercising such voting power shall be described in the notice of general meeting to be given to the Members if the voting power may be exercised by way of a written ballot or by way of electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two days prior to the date of such general meeting. Where more than one voting decision is received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his/her/its voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed present in person at such general meeting, but any Member voting in such manner shall not be entitled to notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived notice of,

and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting.

- 20.4 In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by means of a written ballot or by means of electronic transmission pursuant to Article 20.3 hereof later intends to attend general meetings in person, he/she/it shall, at least two days prior to the date of the meeting, serve a separate declaration of intention to revoke his/her/its previous declaration of intention in the same manner previously used in exercising his/her/its voting power. Votes by means of written ballot or electronic transmission shall be valid if the relevant Member fails to revoke the declaration of intention before the prescribed time.

## 21. Proxies

- 21.1 An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member.
- 21.2 Except for trust enterprises organized under the laws of the ROC or a securities agent approved pursuant to the Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of shares entitled to be voted as represented by such proxy shall be no more than 3% of the total voting shares immediately prior to the relevant Book Closure Period; any vote in respect of the portion in excess of such 3% threshold shall not be counted.
- 21.3 The instrument of proxy shall be deposited at the Registered Office or the Shareholders' Service Agent or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Where more than one instrument to vote received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.
- 21.4 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 21.5 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (any Member, a trust enterprise or a securities agent mandated by Member(s), who solicits an instrument of proxy from any (other) Member to appoint him/it as a proxy to attend and vote at a general meeting, pursuant to the Applicable Public Company Rules) (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 21.6 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office or the Shareholders' Service Agent before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy. The notice must set out expressly the reason for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.

## 22. Proxy Solicitation

Subject to these Articles, so long as the shares are listed on the TPEx or TWSE, the use and solicitation of proxies at general meetings of the Company shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the Republic of China, as from time to time amended.

## 23. Dissenting Member's Appraisal Right

23.1 In the event any of the following resolutions is adopted at general meetings, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his/her/its shares at the then prevailing fair price:

- (a) The Company enters into, amends, or terminates any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others;
- (b) The Company transfers its business or assets, in whole or in any essential part; provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) The Company acquires or assumes the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations;
- (d) The Company proposes to undertake a spin-off, Merger or share swap; or
- (e) The Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

Shares which have been abstained from voting in accordance with the preceding paragraph shall not be counted in determining the number of votes of the Members being cast at a general meeting; however, such Member's Shares shall be counted towards the quorum of the general meeting.

23.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 23.1 (the "Dissenting Member") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection stating the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

23.3 Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's Shares, then, within thirty (30) days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Shareholders. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

23.4 Notwithstanding the above provisions under this Article 23, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a Merger or consolidation.

## 24. Shares that May Not be Voted

24.1 The shares in the Company as set out below shall not be voted at any general meeting and shall not be counted in determining the total number of issued shares at any given time:

- (a) shares in the Company that are beneficially owned by the Company;
- (b) shares in the Company that are beneficially owned by its Subsidiary, one-half or more of whose total number of voting shares or paid-in capital are directly or indirectly owned by the Company; and
- (c) shares in the Company that are beneficially owned by an entity in which the Company, together with (i) the holding company of the Company, (ii) any subsidiary of the holding company of the Company and/or (iii) any Subsidiary of the Company, own, legally or beneficially, directly or indirectly, more than one-half of its issued and voting shares or paid-in capital.

24.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion. Such shares may be counted for the purposes of determining the quorum but may not be included when determining the total number of shares entitled to vote at such general meeting. The aforementioned Member shall also not vote on behalf of any other Member.

24.3 If the number of shares over which a security interest is granted by a Director at any time amounts to more than fifty per cent of the total shares held by such Director at the time of his latest election, such pledged shares exceeding fifty per cent of the total shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting; provided however, if the Director is an authorised representative of a corporate Member elected in accordance with Article 30.5 hereof, the calculation shall be made based on the number of shares held and pledged by such corporate Member.

## 25. Voting by Joint Holders of Shares

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

## 26. Representation of Corporate Member

26.1 A corporation which is a Member may, by written instrument, authorise such person as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

26.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

## 27. Adjournment of General Meeting

27.1 Unless otherwise expressly provided herein, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with these Articles.

27.2 The chairman of a general meeting may, with the consent of a majority in number of those present at any general meeting at which a quorum is present, and shall if so directed, adjourn

the meeting. The Company shall re-convene such general meeting within 5 days after the adjourned general meeting or at such other date fixed by an ordinary resolution adopted by the Members within such five days. If the meeting is adjourned for more than 60 days, fresh notice of the date, time and place for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat, in accordance with the provisions of these Articles.

28. Directors Attendance at General Meetings

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

## **DIRECTORS AND OFFICERS**

29. Number and Term of Office of Directors

- 29.1 There shall be a board of Directors consisting of 7 to 11 persons, each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by special resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements by the Applicable Public Company Rules (including but not limited to any listing requirements) are met.
- 29.2 Unless otherwise approved by GTSM or TWSE (as applicable), the number of Directors having a spousal relationship or Family Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 29.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 29.2 hereof, the non-qualifying Director(s) who was elected with the fewer number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 29.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his/her/its position of Director automatically.
- 29.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall consist of at least one-third of the Board. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of the same shall have accounting or financial expertise.
- 29.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.
- 29.6 Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee members, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and Exchange Act applicable to the Company.

30. Election of Directors

- 30.1 The Company may by a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 30.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 30.2 The Directors shall be elected upon a poll vote by way of cumulative voting. The numbers of votes attached to each voting share held by a shareholder shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting (hereafter, "Special Votes "). Each shareholder may vote all or part of his/her Special Votes in respect of

one or more Director candidates. Within the number of Directors to be elected, the Director candidates receiving the highest number of votes shall be appointed. The Directors (including Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are listed on the TPEX or the TWSE. The rules and procedures of the nomination of candidates shall comply with the procedure approved by the Board of Directors and ordinary resolution, provided that such procedure shall be in compliance with the Law, Memorandum of Association, Articles of Association, and the Applicable Public Company Rules.

- 30.3 If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
- 30.4 If the number of Directors is less than five persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the Board is equivalent to one-third of the total number prescribed by these Articles, the Board shall hold, within sixty days of such occurrence, an extraordinary general meeting of Members to elect succeeding Directors to fill in the vacancies.
- 30.5 Where a legal entity is a Member, its authorized representative(s) may also be elected as Director of the Company in accordance with these Articles. If there are multiple authorized representatives, each of them may be so elected.

### 31. Proxy

Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy 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 proxy is to be used, or first used, prior to the commencement of the meeting.

### 32. Removal of Directors

- 32.1 The Company may from time to time by supermajority resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the incumbent Directors, the Members may at a general meeting elect or re-elect all Directors, which vote shall be calculated in accordance with Article 30.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting that such Director(s) shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 32.2 In case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws, regulations and/or the Articles, but not being removed by a supermajority resolution of a general meeting, the Member(s) holding 3% or more of the total number of issued shares of the Company may, within thirty days after that general meeting, institute a lawsuit in the court for a judgment to remove such Director. The Taipei District Court, ROC, may be the court of the first instance for this matter.

### 33. Vacancy in the Office of Director

33.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) is or becomes of unsound mind or an order for his detention is made under the Mental Health Law of the Cayman Islands or any analogous law of a jurisdiction outside the Cayman Islands, or dies;
- (c) resigns his office by notice in writing to the Company;
- (d) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (iv) the time elapsed after being pardoned is less than five years;
- (e) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two years;
- (f) having been adjudicated guilty by a final judgment for committing offenses under the Anti-Corruption Act of the ROC, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two years;
- (g) dies or becomes bankrupt, or the court has declared a liquidation process in connection with the Director has not been reinstated to his rights and privileges ;
- (h) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (i) the Director has been adjudicated of the commencement of assistantship (as defined under the Civil Code of the ROC) or similar declaration and such assistantship/declaration having not been revoked yet; or
- (j) an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his/her affairs, or his/her legal capacity is restricted according to the applicable laws.

In the event that the foregoing events described in clauses (d), (e), (f), (g), (h), (i) or (j) has occurred in relation to a Director elect, such Director elect shall be disqualified from being elected as a Director.

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

33.3 If any Director (other than an Independent Director) has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director (other than an Independent Director) has transferred more than one half of the Company's shares then being held by him within the Book Closure Period prior to a shareholders' meeting, then he shall immediately cease be a Director and no shareholders' approval shall be required.

34. Remuneration of Directors

The remuneration of the Directors is authorized to be decided by the Board by reference to the standard generally adopted by other enterprises in the same industry, and shall be paid regardless

whether the Company has profits or suffers losses. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company pursuant to the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

### 35. Defect in Election of Director

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

### 36. Directors to Manage Business

The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any clause of these Articles, to the provisions of the Law, and to such regulations, being not inconsistent with the aforesaid clauses or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

### 37. Powers of the Board of Directors

Without limiting the generality of Article 36, the Board may:

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



- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

#### 38. Register of Directors and Officers

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

- (a) first name and surname; and
- (b) address.

38.2 The Board shall, within the period of thirty days from the occurrence of:

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers;

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies of any such change that takes place.

#### 39. Officers

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

39.2 The Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the ROC under the ROC Securities and Exchange Act. The Company's litigious and non-litigious agent shall be a natural person and have a residence or domicile in the ROC.

#### 40. Appointment of Officers

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

#### 41. Duties of Officers

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

#### 42. Remuneration of Officers

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

#### 43. Conflicts of Interest

43.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director.

43.2 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 23.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a director who has a personal interest in such transaction

shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents of the above matters can be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting. Where the spouse, the person having the Family Relationship within Second Degree of Kinship with a Director, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

- 43.3 Notwithstanding anything to the contrary contained in this Article 43, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

44. Indemnification and Exculpation of Directors and Officers

- 44.1 The Directors and Officers and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer, auditor or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty or wilful default or wilful neglect or violation of duties under Article 44.4 which may attach to any of the said persons.
- 44.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 44.3 In addition to and without prejudice to members' right to commence derivative actions as permitted under the law of the Cayman Islands, members continuously holding 1% or more of the total issued shares of the Company for six months or longer may send a written request to the Audit Committee to pass a resolution to authorise any Independent Director or Independent Directors, acting singly or collectively, to file a petition with the court for and on behalf of the Company against any of the Directors. The Taiwan Taipei District Court, ROC may be the court of the first instance for this matter. If within thirty (30) days after receiving the above written request by the Member(s), the Audit Committee fails to pass the aforementioned resolution, or after the relevant resolution was passed by the Audit Committee, the relevant Independent Director(s) fail(s) to file such petition, such Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the court for and on behalf of the Company against the relevant Directors. The Taiwan Taipei District Court, ROC may be the court of the first instance for this matter.

- 44.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

## **MEETINGS OF THE BOARD OF DIRECTORS**

### **45. Board Meetings**

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. During a meeting, if upon inquisition by the chairman, none of the Directors raises objection to the proposal being reviewed, the chairman may declare the resolution adopted. If, however, a director objects to the proposal, the resolution shall be put to vote and carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

### **46. Notice of Board Meetings**

The Chairman shall summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is sent to such Director by post, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose. Notice of a meeting of Board shall state the time and place of the meeting and meeting agenda and be given to all Directors at least 7 days prior to the meeting, provided that upon the occurrence of emergencies, the Chairman may summon a meeting of the Board at any time.

### **47. Participation in Meetings by Web Cam or Video Conference**

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

### **48. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be more than one-half of the Board, provided that if there is only one Director for the time being in office the quorum shall be one.

### **49. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number.

### **50. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected by the Directors present at the meeting.

### **51. Tender Offer**

Any public announcement in connection with any tender offer of the Company's shares shall be in compliance with the Applicable Public Company Rules, including but not limited to the Regulations Governing Public Tender Offers for Securities of Public Companies.

## **AUDIT COMMITTEE**

### **51A. Audit Committee**

51A.1 The Company shall establish an Audit Committee. The Audit Committee shall comprise of all Independent Directors and the number of committee members shall not be less than three. One 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 of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.

Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board of Directors for resolution:

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

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

51A.2 Subject to compliance with the Law, before the meeting of Directors resolves any matter specified in Article 23.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the ROC securities authority and made available to the

Members for their inspection and review at the venue of the general meeting.

## **COMPENSATION COMMITTEE**

### **51B. Compensation Committee**

The Company shall establish a Compensation Committee. The qualifications, appointment, composition, voting methods and powers of the Compensation Committee and the terms of its members shall conform with the Applicable Public Company Rules and specified in the Company's internal rules.

The Compensation Committee shall:

- (a) draft and regularly review the policy, system, standards and structure of the performance evaluation and remuneration, including compensation, stock option programs and other incentive payments of Directors and Officers; and
- (b) regularly review and decide the remuneration of Directors and Officers.

Any of the above-mentioned matters of the Company shall require the consent of one-half or more of all Compensation Committee members and be submitted to the Board of Directors for resolution. If any of the Compensation Committee's recommendations is not approved or is revised by the Directors, such a resolution shall be passed with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the Directors and the Directors shall take into account all relevant factors and indicate in the resolution whether the compensation packages that they adopted are more favourable than the recommendations made by the Compensation Committee.

## **CORPORATE RECORDS**

### **52. Records**

#### **52.1 Minutes**

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

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

#### **52.2 Register of Mortgages and Charges**

- (a) The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law; and
- (b) The Register of Mortgages and Charges shall be open to inspection in accordance with the Law, at the Registered Office on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

52.3 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with these Articles and relevant rules and regulations shall be kept for at least twelve months. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than twelve months.

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

53.1 The Company shall adopt a Seal in such form as the Board may determine.

53.2 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors,

the Seal shall be affixed in the presence of a Director, Secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

53.3 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or any other person or institution having authority to file the document as aforesaid.

53.4 The Company may have one or more duplicate Seals for use in or outside the Cayman Islands, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

#### 54. Books of Account

54.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

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

#### 55. Financial Year End

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

### **DIVIDENDS AND CAPITALISATION**

#### 56. Dividends

##### 56.1

- (1) Where there are profits in a given year, after reserving the amount for covering the accumulated losses, no more than 2% of the profit shall be distributed as employees' compensation and no more than 2% of the profit shall be distributed as Directors' compensation. Employees' compensation may be distributed in the form of shares of the Company or in cash, and may be distributed to the qualified employees of the Company's Subsidiaries. Distribution of employees' compensation and Directors' compensation shall be approved by the Board and in addition thereto a report of such distribution shall be submitted to the annual general meeting.
- (2) If there are profits in the final accounts of a given year, the Company shall first make up the losses for the previous years ("Accumulated Losses"), and then set aside a special surplus reserve ("Special Surplus Reserve") as required by the competent securities authority under the Applicable Public Company Rules. The remaining profits after deduction of the Accumulated Losses and Special Surplus Reserve(if any), together with the retained earnings at the beginning of the year, shall be accumulated retained earnings, which may be subject to distribution based on a plan proposed by the Board in accordance with the dividend policy of the Company. If all or a part of the distribution will be made in cash, it shall be approved by a majority vote cast at a meeting of the Board with two-third (2/3) or more of the Directors present at the Board meeting; and in addition thereto a report of such distribution shall be submitted to the annual

general meeting. In the case of Article 11.4(d), a supermajority resolution shall be passed at annual general meetings.

(3) The Company operates in a mature industry, and is in the growth stage. In determining Members' dividend, the Company shall consider its future capital expenditure budgeting and evaluate its capital requirement in the next year, in order to determine the amount of profits for retention and distribution. The amount of profits for retention and distribution, and the types of dividend and their ratio shall be proposed by the Board, and the Board may recommend to distribute no less than 10% of the profit of the current year as dividend, after consideration of the Company's profitability and capital level, and approved by the Members in the annual general meetings; provided that, the cash portion shall be no less than 30% of total Members' dividend.

56.2 Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

56.3 Subject to these Articles, with the sanction of an ordinary resolution of the Members, the Board may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generally, the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

56.4 Subject to these Articles, with the sanction of an ordinary resolution of the Members, the Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

56.5 The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.

56.6 For the purpose of determining Members entitled to receive payment of any dividend, the Directors may provide that the Register of Members shall be closed for transfers for a period of five days before the relevant record date or such other period as may be required by the Applicable Public Company Rules or the Law.

#### 57. Method of Payment

57.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members.

57.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares, any one can give an effectual receipt for any dividend paid or other monies payable on or in respect of such shares.

#### 58. Power to Set Aside Profits

58.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose. Pending distribution of profit, such sums may be employed in the business of, or investment by, the Company, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

58.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to Company's share premium account.

59. Capitalisation

Provided that the Company has no accumulated losses, the Company may, with a proposal recommended by the Board and approved by the Members by the sanction of a supermajority resolution in annual general meetings, distribute new shares or cash arising out of the Capital Reserve to the Members.

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

60. Winding-Up

60.1 Subject to the Law, the Company may be voluntarily wound-up by a special resolution of the Members.

60.2 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution, divide amongst the Members in specie or in 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 it deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. Upon completion of the winding-up, the Company shall be dissolved. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## **CHANGES TO CONSTITUTION**

61. Changes to Articles

Subject to the Law and to the conditions contained in its memorandum, the Company may, by special resolution, alter or add to its Articles.

62. Changes to the Memorandum of Association

Subject to the Law, the Company may from time to time by special resolution alter its Memorandum of Association with respect to any objects, powers or other matters specified therein.

63. Change of Name

Subject to the Law, the Company may from time to time by special resolution change the name of the Company.

64. Internal Rules

The Board and/or general meeting may adopt internal rules of the Company from time to time. In case of inconsistency between these Articles and the internal rules of the Company, these Articles shall prevail.

65. Social Responsibilities

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