



Stock Code: 6629

Thai Kin Co., Ltd.

2021 Annual General Shareholders'  
Meeting

Meeting Handbook

Date: June 17, 2021, 9:00am

Location: No. 99, Fuxing North Road, 15F., Room BB,  
Songshan District, Taipei City 105, Taiwan (R.O.C.)

(Primasia Conference & Business Center)



## Table of Contents

<b>I. Meeting Procedure</b> .....	<b>2</b>
<b>II. Meeting Agenda</b> .....	<b>3</b>
1. Matters to be reported .....	4
2. Matters to be ratified .....	6
3. Matters to be discussed .....	7
4. Extempore motion.....	9
5. Adjournment.....	9
<b>III. Attachments</b>	
1. 2020 Annual business report .....	10
2. Audit Committee's review report for 2020.....	14
3. Comparison table for the amendments to the "Rules of Procedure for Board of Directors Meeting" .....	15
4. Comparison table for the amendments to the "Code of Ethical Conduct for Board of Directors and Managers" .....	16
5. Report on the connection between and reasonableness of the performance assessment results of the directors and managers and their compensation .....	17
6. Status report on the 1st domestic unsecured convertible bond .....	19
7. Independent auditors' report and 2020 financial report .....	20
8. 2020 Earnings distribution statement.....	27
9. Comparison table for the amendments to the "Articles of Incorporation" .....	28
10. Comparison table for the amendments to the "Rules of Procedure for Shareholders' Meetings" .....	37
11. Comparison table for the amendments to the "Election Procedures of Directors" .....	39
<b>III. Appendices</b>	
1. The Company's "Articles of Incorporation" (Pre-amendment).....	42
2. The Company's "Rules of Procedure of Shareholders' Meeting" (Pre-amendment) .....	96
3. The Company's "Election Procedures of Directors" (Pre-amendment) .....	106
4. Shareholding status of all directors .....	120
5. Information on proposals and nominations of shareholders holding one percent or more of the total number of issued shares .....	121



## Thai Kin Co., Ltd.

### 2021 Annual Shareholders' Meeting Procedure

1. Meeting called to order
2. Chairperson's address
3. Matters to be reported
4. Matters to be ratified
5. Matters to be discussed
6. Extempore motion
7. Adjournment



## Thai Kin Co., Ltd.

### 2021 Annual Shareholders' Meeting Agenda

Time: June 17, 2021, 9:00am

Location: No. 99, Fuxing North Road, 15F., Room BB, Songshan District, Taipei

City 105, Taiwan (R.O.C.) (Primasia Conference & Business Center)

1. Meeting called to order
2. Chairperson's address
3. Matters to be reported
  - (I) 2020 Annual business report
  - (II) Audit Committee's review report for 2020
  - (III) Report on distribution of remuneration for employees and directors in 2020
  - (IV) Report on cash dividends of earnings distribution for 2020
  - (V) Report on amendment to the "Rules of Procedure for Board of Directors Meeting"
  - (VI) Report on amendment to the "Code of Ethical Conduct for Board of Directors and Managers"
  - (VII) Report on the performance assessments of the directors and managers and the connection between and reasonableness of the contents and amounts of their compensation and performance assessment result
  - (VIII) Status report on issuance of 1st domestic unsecured convertible bond
4. Matters to be ratified
  - (I) 2020 Annual business report and financial statements
  - (II) 2020 earnings distribution proposal
5. Matters to be discussed
  - (I) Amendments to the Company's "Articles of Incorporation"
  - (II) Amendments to the Company's "Rules of Procedure for Shareholders' Meetings"
  - (III) Amendments to the Company's "Election Procedures of Directors"
  - (IV) Lifting of non-competition restrictions on existing directors
6. Extempore motion:
7. Adjournment

## Matters to be reported

- I. 2020 Annual business report is submitted for review.  
Explanation: Please refer to Attachment I (page 9) of the Meeting Handbook for the 2020 annual business report.
- II. Audit Committee's review report for 2020 is submitted for review.  
Explanation: Please refer to Attachment II (page 12) of the Meeting Handbook for the Audit Committee's review report for 2020.
- III. Report on distribution of remuneration for employees and directors in 2020 is hereby submitted for review.  
Explanation: In accordance with the Company's Articles of Incorporation, if the Company has gained profits within a fiscal year, the Company shall reserve no more than five percent of the profits as the employees' remuneration, and shall reserve no more than three percent as the director's remuneration. In consideration of future working capital requirements, no remuneration for directors and employees is proposed to be paid.
- IV. 2020 Cash dividends of earnings distribution for 2020 is hereby submitted for review.  
Explanation:
  - (I) In accordance with Article 14.3 of the Company's Articles of Incorporation, the Board of Directors shall be authorized to distribute the stock dividends and bonuses in cash and report to the shareholders' meeting.
  - (II) The Board of Directors has adopted the resolution to distribute a total cash dividend of NT\$159,885,000, with the proposed distribution of NT\$4.5 per share. The distribution of dividends shall be rounded down to the integer of New Taiwan Dollar. Fractional dividend less than NT\$1 shall be combined into other income of the Company, and the Chairperson shall be authorized to handle related matters.
  - (III) Due to the Company's conversion of corporate bonds to ordinary shares, the cash dividend was adjusted by distributing NT \$4.48952372 per share, which will be issued on May 20, 2021.
- V. Report on amendment to the "Rules of Procedure for Board of Directors Meeting" is hereby submitted for review.  
Explanation:
  - (I) Action taken in accordance with May 29, 2020 Letter No. Financial-Supervisory-Securities-Corporate-1090338980 of the Financial Supervisory Commission.



- (II) Please refer to Attachment III (page 13) of the Meeting Handbook for the comparison table of the amendments of articles.

VI. Report on amendment to the "Code of Ethical Conduct for Board of Directors and Managers" is hereby submitted for review.

Explanation:

- (I) Action taken in accordance with May 29, 2020 Letter No. Financial-Supervisory-Securities-Corporate-1090338980 of the Financial Supervisory Commission.
- (II) Please refer to Attachment IV (page 124 of the Meeting Handbook for the comparison table of the amendments of articles.

VII. Report on the performance assessments of the directors and managers and the connection between and reasonableness of the contents and amounts of their compensation and performance assessment result is hereby submitted for review.

Explanation:

- (I) In accordance with the Article 7 of the Company's "Rules of Organization of Remuneration Committee", the remuneration committee shall periodically assess the degree to which performance goals for the directors and managerial officers of the Company have been achieved, set the types and amounts of their individual remuneration based on the results of the reviews conducted in accordance with the performance assessment standards, and submit a report to the shareholders' meeting.
- (II) Please refer to Attachment V (page 15) of the Meeting Handbook for the relevant report on the connection between and reasonableness of the performance assessment results.

VIII. Status report on issuance of 1st domestic unsecured convertible bond is hereby submitted for review.

Explanation:

- (I) For the purpose of repaying bank loans and to bolster the working capital of the Company, the Company passed a resolution on August 11, 2020 to issue the first domestic unsecured convertible bond of NT\$200,000,000, and was the registration filing of the bonds has been effectuated by Letter No. Financial-Supervisory-Securities-Corporate-10903573661 dated September 15, 2020. The bonds was listed on OTC on October 22, 2020.
- (II) Please refer to Attachment VI (page 16) of the Meeting Handbook for the status report on issuance of 1st domestic unsecured convertible bond.



## **Matters to be ratified**

Proposal 1: 2020 Annual business report and financial statements (Proposed by the Board of Directors)

Explanation:

1. The Company's consolidated financial statements for 2020 has been audited and certified by Chun-Hsiu Kuan and Chun-Yi Chang of KPMG Taiwan.
2. Please refer to Attachment I (page 9) and Attachment VII (page 17) of the Meeting Handbook for the business reports, independent auditors' report and 2020 financial report.
3. The reports are hereby submitted for ratification.

Resolution:

Proposal 2: 2020 earnings distribution proposal (Proposed by the Board of Directors)

Explanation:

1. The 2020 earnings distribution proposal was adopted at the board meeting on March 16, 2020.
2. Please refer to Attachment VIII (page 69) of the Meeting Handbook for the 2020 earnings distribution proposal
3. The reports are hereby submitted for ratification.

Resolution:



## **Matters to be discussed**

Proposal 1: Amendments to the Company's "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation:

1. With the aim of passing on business results to shareholders in a timely manner, the Company intends to amend the Company's Articles of Incorporation such that the Company may also distribute mid-term dividends in the first half of the fiscal year instead of distributing dividends at the end of the fiscal year.
2. Please refer to Attachment IX (page 70) of the Meeting Handbook for the comparison table of amendments.
3. Proposal is hereby submitted for discussion.

Resolution:

Proposal 2: Amendments to the Company's "Rules of Procedure for Shareholders' Meetings" (Proposed by the Board of Directors)

Explanation:

1. Action taken in accordance with May 29, 2020 Letter No. Financial-Supervisory-Securities-Corporate-1090338980 of the Financial Supervisory Commission.
2. Please refer to Attachment X (page 83) of the Meeting Handbook for the comparison table of amendments.
3. Proposal is hereby submitted for discussion.

Resolution:

Proposal 3: Amendments to the Company's "Election Procedures of Directors" (Proposed by the Board of Directors)

Explanation:

1. Action taken in accordance with May 29, 2020 Letter No. Financial-Supervisory-Securities-Corporate-1090338980 of the Financial Supervisory Commission.
2. Please refer to Attachment XI (page 86) of the Meeting Handbook for the comparison table of amendments.
3. Proposal is hereby submitted for discussion.

Resolution:

Proposal 4: Lifting of non-competition restrictions on existing directors (Proposed by the Board of Directors)

Explanation:

1. In accordance with Article 47.4 of the Company's Articles of Incorporation,





- a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.
2. The Company's Independent Director, Chung-Fern Wu, is an independent director of Taiwan Sugar Corporation. It is requested to lift the ban on Chung-Fern Wu in competition with the business of the Company.
  3. Proposal is hereby submitted for discussion.

Resolution:



## **Extempore Motions**

## **Adjournment**

**Thai Kin Co., Ltd.**  
**2020 Annual Business Report**

**Dear Shareholders,**

It is a great honor to report to you on behalf of the Company's business team the operating results of the Company in 2020. While the overall global economy was affected by the COVID-19 pandemic in 2020, there was an upswing for the home improvement market demand, owing to the rise of stay-at-home economy. Through the efforts of all colleagues who persevered to expand our clientele base and seize the market share, the Company's performance bucked the trend and grew. The Company achieved a record high annual profit despite impact of unfavorable factors such as gradual increase in raw material and exchange rates.

I hereby, on behalf of the board of directors and the management team, sincerely thank all shareholders and colleagues for the trust in Thai Kin. Moving forward, Thai Kin will continue progress while upholding the spirit of integrity, pragmatism and innovation. We also look forward to your continuous support and encouragement, as we create more value for the Company and returns to shareholders.

**I. 2020 Annual business report****(I) Operating results**

Amount Unit: NT\$ thousand

Item	2020		2019		Change by percentage
	Amount	As a percentage of operating revenue	Amount	As a percentage of operating revenue	
Operating revenue	1,264,815	100%	1,005,820	100%	26%
Operating costs	926,668	73%	771,753	77%	20%
Gross profit	338,147	27%	234,067	23%	44%
Net operating profit	242,827	19%	140,103	14%	73%
Net profit before tax	255,944	20%	156,114	16%	64%
Net income after tax	223,644	18%	140,392	14%	59%

In 2020, the Company's operating revenue saw a significant increase of 26%, attributed to the thriving US housing and home improvement markets brought about by the pandemic, the steady growth in customer orders in the recent years, and the Company's proactive development in customer base. Although the price of international raw materials gradually increased since beginning of the year to the end of the year, the annual average was still relatively stable. The overall operating costs was effectively controlled through continuous improvement to the production processes and product diversification which spread out the concentration of use of raw materials. Consequentially, the gross profit margin increased from 23% in 2019 to 27% in 2020, the net operating profit increased significantly by 73% and net profit after tax increased by 59%.

**(II) Budget implementation: not applicable because the Company does not need to prepare financial forecasts.**

**(III) Profitability analysis**

Item	2020	2019
Return on Assets	15.35%	12.70%
Return on Equity	27.92%	24.28%
Net profit margin	18%	14%
Earnings per share	NT\$6.61	NT\$4.38

In terms of various indicators of profitability, since the operating performance in 2020 is significantly higher than that in 2019, both the return on assets and return on equity are considerably higher than that in the previous year. Earnings per share rose from last year's NT\$4.38 to NT\$6.61, which is the highest in the most recent three years.

#### **(IV) Research and Development (R&D)**

As a large-scale manufacturer of home decoration castings, Thai Kin devoted efforts to improve manufacturing and process capacity, optimize product portfolio, improve production efficiency while reducing production cost and achieve superior quality. For good measure, with an eye toward expanding into more areas, the Company proactively developed new product range.

1. 42 series of cabinet handle items.
2. 125 series of sanitary ware items.

Project development plan for 2021:

1. 246 series of sanitary ware items.
2. 1 series of cabinet handle item.
3. 52 series of window decoration casting items.

## **II. 2021 business plan**

### **(I) Business policy**

1. Business: Continue to penetrate the market for existing product range of cabinet handles, sanitary ware and curtains, and develop new items to grow the pie in the market. Correspondingly, develop new clientele base, break into more retail channels, collaborate with renowned brands so as to increase product sales.
2. Production: Implement production improvements, continuously refine production line processes so as to elevate production efficiency and avoid unnecessary waste. Plans include modification of production line conveyor belt to reduce movement time of personnel and products during the production process, consolidation of electroplating segments to facilitate one-stop production and reduce the idle time for half-finished goods, and introduction of machining automation equipment to drastically shorten product operation time.
3. Procurement: Monitor trend of prices for international raw materials closely over time and strategically increase the procurement of raw materials when the price is low. Proactively source for more suppliers with competitive pricing.
4. Finance: Allocate the Group's fund planning to reduce the impact of exchange rate on the company in accordance with the changes of interest rates in international exchange market, and leverage on capital market to raise funds and reduce the borrowing costs of banks so as to improve the financial structure of the Group.
5. Industry: Seek cross-industry collaborations and expand the Company's operational scale.

### **(II) Sales volume forecast and basis thereof**

The Company formulates the annual budget according to the overall housing market and furniture market environments, expected customer orders and production capacity plans. In addition to maintaining stable and long-term relationships with customers, revenue will be continuously scaled through regular development of new products, new customers and new markets.

### **(III) Production and marketing policies**

1. Shorten product development cycle so as to meet customers' schedules for new product development.
2. Establish process standard operations, standard working hours, standard consumption, and standard output for each process so as to have more accurate control of production efficiency.
3. Reduce defect rate, scrap rate, and rework rate.
4. Adjust the production lines to smooth production processes and reduce the idle time of personnel and machines.
5. Automation of machine and equipment to replace manual operations and reduce production time.
6. Elevate utilization rate, increase production capacity, and improve economies of scale to reduce production costs.

### **III. Future development strategy for 2021**

In 2020, despite the impact of the pandemic, the Company had unceasingly secured new customers and increased the proportion of sanitary ware and window decoration products. In 2021, the Company shall continue to diversify the product portfolio. In addition to optimizing the product price mix, through different product categories, the dependence on a single raw material can be dispersed and the impact of raw material price fluctuations can be reduced. Furthermore, the Company had rapidly rebuilt and recovered from the fire in the electroplating line in 2020. The new production line has since been in stable operation and process efficiency has improved. The Company shall continue to refine production processes and with the optimization of both sales and production, the Company is confident of continuing with the steady growth momentum in 2021.

### **IV. Impact of external competition environment, legal environment and overall business environment**

#### **(I) External competition environment**

In recent years, major international furniture brands retained their core design departments at their headquarters while manufacturing and assembly for other parts were outsourced. Asia's major furniture manufacturing countries included China and emerging markets such as Thailand and Vietnam. In the same degree, the US furniture market is characterized by fragmented channels and fierce competition. The market is undergoing structural change and consolidation of the industry is progressively apparent with the gradual decline of small and medium-sized furniture manufacturers while large-scale furniture manufacturers continued to grow. Hence, furniture manufacturers that have the advantages of both production capacity scale and product quality and can respond to retailers' needs quickly will be favored by retailers. Thai Kin's geographical advantages is complemented with one-stop service that has production capacity, product quality and ability to respond to customers' needs.

#### **(II) Legal environment**

Thai Kin will continue to uphold the spirit of corporate governance, operate with integrity, strengthen the functions of the board of directors, maintain smooth communication channels with stakeholders, protect the rights and interests of shareholders, and fulfill social responsibilities while the competent authorities in Taiwan progressively refine the laws and regulations related to corporate governance.

**(III) Overall business environment**

The global economy slowdown was triggered by the COVID-19 pandemic outbreak in 2020. Although the industry which the Company is in was less impacted, the overall economic environment is still shrouded with uncertainties. The economic recovery after the slowing of the pandemic in 2021 is expected to bring growth momentum to the overall economic market. Nonetheless, Thai Kin will continue to uphold the business philosophy of exercising caution, proceeding steadily, and being always ready to respond to changes in the overall business environment so as to continue to yield good results for shareholders in 2021. Our sincere wishes for all.

Good health and all the best.

Chairperson: HSU,TA-CHIN

President: HSU,CHEN-JUNG

Head of Accounting: Huang  
Cheng Hsiu

Thai Kin Co., Ltd.  
Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements, and the earnings distribution proposal for 2020, in which the consolidated financial statements have been audited by the CPAs Chun-Hsiu Kuan and Chun-Yi Chang of KPMG Taiwan entrusted by the Board of Directors, with the audit report issued. The above business report, consolidated financial statements, and earnings distribution proposal have been verified by the Audit Committee and deemed as appropriate and reported as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for approval.

Sincerely,

The Company's 2021 Annual Shareholders' Meeting

Thai Kin Co., Ltd.

Convener of the Audit Committee:  
WU,CHUNG-FERN

March 16, 2021

**Rules of Procedure for  
Board of Directors Meeting of Thai Kin Co., Ltd**

**Comparison table of amended provisions**

Amended article	Current article	Explanation
<p>Article 7</p> <p>The following matters shall be submitted to the Board of Directors of the Company for discussion:</p> <p>I. The Company's business plan.</p> <p>II. Financial reports of the second quarter of each fiscal year duly signed or sealed by the chairperson, managerial officer, and accounting officer, and reviewed by a certified public accountant and reported to the board of directors.</p> <p>The following paragraphs are omitted.</p>	<p>Article 7</p> <p>The following matters shall be submitted to the Board of Directors of the Company for discussion:</p> <p>I. The Company's business plan.</p> <p>II. The annual financial statements.</p> <p>The following paragraphs are omitted.</p>	<p>In accordance with the amendment of Article 14-5 of the Securities and Exchange Act, paragraphs 1 and 2 of this Article are amended accordingly.</p>



Code of Ethical Conduct for  
Board of Directors and Managers of Thai Kin Co., Ltd

Comparison table of amended provisions

Amended article	Current article	Explanation
<p>2. Content of the code</p> <p>(1) to (6) omitted</p> <p>(7) Encouraging Reporting on Illegal or Unethical Activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the Company will use its best efforts to ensure the safety of whistle-blowers and protect them from reprisals.</p>	<p>2. Content of the code</p> <p>(1) to (6) omitted</p> <p>(7) Encouraging Reporting on Illegal or Unethical Activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall let employees be aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	<p>I. The text of paragraph 7 is amended in accordance with Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies where anonymous whistle-blowing is allowed.</p>

Report on the Connection Between and Reasonableness of the Performance Assessment Results of the Directors and Managers and Their Compensation

Performance Assessment Mechanism for the Board of Directors	Performance Self-Assessment Results of the Board of Directors in 2020	The Connection Between and Reasonableness of the Contents and Amounts of the Compensation of the Directors and Managers and the Performance Assessment Results
<p>The performance assessment of the Board of Directors shall be completed before the end of the first quarter of the following year after the end of each fiscal year in accordance with the Company's Rules of Organization of Remuneration Committee and the Rules and Procedures for the Performance Assessments of the Board of Directors.</p> <p>The assessment includes the overall performance of the Board of Directors and the performance of individual Directors.</p> <p>The criteria for evaluating the performance of the Company's Board of Directors shall cover the following five aspects:</p> <p>I. Participation in the operation of the Company.</p> <p>II. Improvement of the quality of the Board of Directors' decision making;</p> <p>III. Composition and structure of the Board of</p>	<p>I. Assessment period: from January 1, 2020 to December 31, 2020.</p> <p>II. Performance self-assessment results of the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company: Meeting the standards</li> <li>2. Improvement of the quality of the Board of Directors' decision making: Surpassing the standards</li> <li>3. Composition and structure of the Board of Directors: Meeting the standards</li> <li>4. Election and continuing education of the Directors: strengthened</li> <li>5. Internal control: Meeting the standards</li> </ol> <p>III. Average self-assessment results of the Board members:</p> <ol style="list-style-type: none"> <li>1. Alignment of the goals and missions</li> </ol>	<p>In accordance with the Company's Articles of Incorporation, less than 3% (included) of the profits shall be reserved as the Director's remuneration, and reasonable compensation shall be paid to Directors with the consideration on the Company's operating results, and their contribution to the Company's performance. The payment of remuneration to the managers shall be based on the Company's policies and procedures including the management measures on the labor and wage cycle, the salary level of the position in the same industry, the scope of rights and liabilities of the position in the Company, and the individual's contribution to the Company's operating objectives. The remuneration shall be reasonably determined on the basis of the methods for annual performance assessment of the Company, referring to the overall operating performance of the Company, the future operating risks and development trend of the industry. Also, the</p>

**Attachment 5**

Performance Assessment Mechanism for the Board of Directors	Performance Self-Assessment Results of the Board of Directors in 2020	The Connection Between and Reasonableness of the Contents and Amounts of the Compensation of the Directors and Managers and the Performance Assessment Results
<p>Directors;  IV. Election and continuing education of the Directors; and  V. Internal control  The criteria for evaluating the performance of the Board members shall cover the following six aspects:  I. Alignment of the goals and missions of the Company;  II. Awareness of the duties of a Director;  III. Participation in the operation of the Company;  IV. Management of internal relationship and communication;  V. The Director's professionalism and continuing education; and  VI. Internal control.</p>	<p>of the Company: Surpassing the standards  2. Awareness of the duties of a Director: Surpassing the standards  3. Participation in the operation of the Company: Surpassing the standards  4. Management of internal relationship and communication: Surpassing the standards  5. The Director's professionalism and continuing education: Surpassing the standards  6. Internal control: Surpassing the standards  IV. The performance assessment results of the Board of Directors have been reported to the Board of Directors on March 16, 2021.</p>	<p>individual's achievement rate and contribution to the Company are taken into consideration. The reasonableness of relevant performance assessment and remuneration shall be audited by the Remuneration Committee and the Board of Directors, and the remuneration system shall be reviewed according to the actual operating conditions and relevant laws and regulations.</p>

**Attachment 6**

2020 Status report on 1st domestic unsecured convertible bond of Thai Kin Co., Ltd

Type of bonds	1st domestic unsecured convertible bond
Issuance date	October 22, 2020
Par value	100 thousand New Taiwan Dollars
Location of issuance and trading	Taipei Exchange (TPEX)
Total Amount	Total issuance amount is two hundred million New Taiwan Dollars Amount raised is 215,757 thousand New Taiwan Dollars
Interest	0% coupon rate
Duration of issuance	Three years Due date: October 22, 2023
Outstanding principle	Two hundred million New Taiwan Dollars
Amount of converted ordinary shares, overseas depositary receipts or other securities as of the date of publication of the annual report	The amount of convertible bonds exercised was 4,900 thousand New Taiwan Dollars, and a total of 82,909 ordinary shares were converted.
Possibility of dilution of equity under the terms and conditions of the issuance and conversion, exchange, or subscription rules of the bond, and effect on shareholder equity	Based on the current conversion price of NT\$55.3, if all the shares were to be converted into ordinary shares, 3,528,028 shares will need to be issued, accounting for 9.91% of the total number of issued shares, with limited impact on shareholders.



安侯建業聯合會計師事務所

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## Independent Auditors' Report

To the Board of Directors of Thai Kin Co., Ltd.:

### Opinion

We have audited the consolidated financial statements of Thai Kin Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matters that should be disclosed in this audit report is Revenue recognition.

Please refer to note 4(m) "Recognition of Revenue" for accounting policy related to revenue recognition, and note 6(q) for the information related to revenue of the consolidated financial statements.

### Description of key audit matter

The Group entered into agreements or sales orders with its major customers, which contain different terms and conditions and increase the complexity of identifying the timing of revenue recognition and transferring control of the products. Therefore, the revenue recognition was considered one of the key audit matters in our audit.

**How the matter was addressed in our audit:**

Our audit procedures included:

- Assessing and testing the design, and the effectiveness of the internal controls over revenue recognition.
- Performing trend analysis on operating income generated from each top ten customer in current period versus that in latest quarter and last year to assess the occurrence of any significant variation and the rationale for the variation.
- Performing test-of-details on transactions to assess the existence of the transactions and the accuracy of the recognized sales as well as the timing of the recognition.
- Performing sales cut-off test over a period prior and post to the balance sheet date by vouching relevant documents of sales transactions to determine whether the revenue have been recognized in proper period.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Hsiu Kuang and Chung-I Chang.

KPMG

Taipei, Taiwan (Republic of China)  
March 16, 2021

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019			
	Amount	%	Amount	%		Amount	%	Amount	%		
11xx	<b>Assets</b>				21xx	<b>Liabilities and Equity</b>					
1100	<b>Current assets:</b>				2100	<b>Current liabilities:</b>					
1170	Cash and cash equivalents (note 6(a))	\$ 602,166	35	150,961	12	2100	Short-term borrowings (notes 6(e), (g), (i), 7 and 8)	\$ 346,607	21	355,945	30
1200	Trade receivables, net (notes 6(b) and (q))	222,293	13	213,239	18	2150	Notes payables	1,902	-	1,364	-
130x	Other receivables (note 6(c))	9,039	1	19,796	2	2170	Trade payables	70,645	4	40,748	4
1470	Inventories (notes 6(d), (u) and 10))	271,406	16	277,425	23	2200	Other payables (note 7)	36,772	2	28,709	2
	Other current assets (notes 6(e) and (h))	7,665	-	11,326	1	2213	Payables for machinery and equipment	6,289	-	2,103	-
	<b>Total current assets</b>	<u>1,112,569</u>	<u>65</u>	<u>672,747</u>	<u>56</u>	2230	Current tax liabilities	19,468	1	10,497	1
15xx	<b>Non-current assets:</b>				2280	<b>Current lease liabilities (notes 6(k) and 7)</b>					
1600	Property, plant and equipment (notes 6(e), (i), (j), 8, 9 and 10)	551,125	32	469,430	39	2320	Current portion of long-term borrowings (notes 6(e), (g), (j), 7 and 8)	20,379	1	5,756	-
1755	Right-of-use assets (notes 6(f) and 7)	1,071	-	1,948	-	2399	Other current liabilities	745	-	319	-
1760	Investment property, net (notes 6(g), (i), (j) and 8)	30,131	2	31,840	3		<b>Total current liabilities</b>	<u>503,672</u>	<u>29</u>	<u>446,302</u>	<u>37</u>
1840	Deferred tax assets (note 6(n))	10,712	1	17,426	2	25xx	<b>Non-current liabilities:</b>				
1900	Other non-current assets (notes 6(e), (h), 8 and 9)	7,988	-	7,186	-	2500	Financial liabilities measured at fair value through profit or loss—non-current (notes 6(l))				
	<b>Total non-current assets</b>	<u>601,027</u>	<u>35</u>	<u>527,830</u>	<u>44</u>	2530	Bonds payable (note 6(l))	480	-	-	-
						2540	Long-term borrowings (notes 6(e), (g), (j), 7 and 8)	204,454	12	-	-
						2570	Deferred tax liabilities (note 6(n))	80,011	5	33,911	3
						2580	Non-current lease liabilities (notes 6(k) and 7)	4,615	-	8,207	1
						2640	Defined benefit liabilities—non-current (note 6(m))	216	-	1,096	-
							<b>Total non-current liabilities</b>	<u>16,736</u>	<u>1</u>	<u>11,524</u>	<u>1</u>
						2xxx	<b>Total liabilities</b>	<u>306,512</u>	<u>18</u>	<u>54,738</u>	<u>5</u>
						31xx	<b>Equity attributable to owners of the Company (notes 6(l), (m), (n) and (o)):</b>				
						3100	Common stock	810,184	47	501,040	42
						3200	Capital surplus	355,300	21	335,300	28
						33xx	<b>Retained earnings:</b>				
						3310	Legal reserve	234,071	14	143,602	12
						3350	Unappropriated retained earnings	21,440	1	7,396	-
							Total retained earnings	280,502	16	177,183	15
						34xx	<b>Other equity:</b>				
						3410	Exchange differences on translation of foreign financial statements	301,942	17	184,579	15
							Total equity attributable to owners of the Company	11,876	1	35,869	3
						36xx	<b>Non-controlling interests</b>				
						3xxx	<b>Total equity</b>				
						2-3xxx	<b>Total liabilities and equity</b>				
1xxx	<b>Total assets</b>	<u>\$ 1,713,596</u>	<u>100</u>	<u>1,200,577</u>	<u>100</u>			<u>903,189</u>	<u>53</u>	<u>699,350</u>	<u>58</u>
								<u>223</u>	<u>-</u>	<u>187</u>	<u>-</u>
								<u>903,412</u>	<u>53</u>	<u>699,537</u>	<u>58</u>
								<u>\$ 1,713,596</u>	<u>100</u>	<u>1,200,577</u>	<u>100</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**THAI KIN CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2020 and 2019****(expressed in thousands of New Taiwan Dollars, except earnings per share)**

	2020		2019	
	Amount	%	Amount	%
4000 <b>Operating revenues (note 6(q))</b>	\$ 1,264,815	100	1,005,820	100
5000 <b>Operating costs (notes 6(d), (e), (m), 7 and 12)</b>	<u>926,668</u>	<u>73</u>	<u>771,753</u>	<u>77</u>
5900 <b>Gross profit from operations</b>	<u>338,147</u>	<u>27</u>	<u>234,067</u>	<u>23</u>
6000 <b>Operating expenses (notes 6(e), (f), (m), 7 and 12):</b>				
6100 Selling expenses	35,965	3	23,832	2
6200 Administrative expenses	52,270	4	64,866	6
6300 Research and development expenses	<u>7,085</u>	<u>1</u>	<u>5,266</u>	<u>1</u>
<b>Total operating expenses</b>	<u>95,320</u>	<u>8</u>	<u>93,964</u>	<u>9</u>
6900 <b>Net operating income</b>	<u>242,827</u>	<u>19</u>	<u>140,103</u>	<u>14</u>
7000 <b>Non-operating income and expenses (notes 6(d), (e), (k), (l), (s), (t), (u), (v) and 10):</b>				
7100 Interest income	788	-	1,322	-
7010 Other income	79,312	6	-	-
7020 Other gains and losses	(57,926)	(4)	24,784	3
7050 Finance costs	<u>(9,057)</u>	<u>(1)</u>	<u>(10,095)</u>	<u>(1)</u>
<b>Total non-operating income and expenses</b>	<u>13,117</u>	<u>1</u>	<u>16,011</u>	<u>2</u>
7900 <b>Profit before income tax</b>	255,944	20	156,114	16
7950 <b>Less: income tax expenses (note 6(n))</b>	<u>32,300</u>	<u>2</u>	<u>15,722</u>	<u>2</u>
8200 <b>Profit</b>	<u>223,644</u>	<u>18</u>	<u>140,392</u>	<u>14</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that will not be reclassified subsequently to profit or loss (notes 6(m) and (n))</b>				
8311 Losses on remeasurements of defined benefit plans	(2,860)	-	(1,041)	-
8349 Less: income tax related to items that may not be reclassified subsequently to profit or loss	<u>(573)</u>	<u>-</u>	<u>(208)</u>	<u>-</u>
Total items that will not be reclassified subsequently to profit or loss	<u>(2,287)</u>	<u>-</u>	<u>(833)</u>	<u>-</u>
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(23,919)	(2)	16,809	2
8399 Less: income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total items that may be reclassified subsequently to profit or loss	<u>(23,919)</u>	<u>(2)</u>	<u>16,809</u>	<u>2</u>
8300 <b>Other comprehensive income</b>	<u>(26,206)</u>	<u>(2)</u>	<u>15,976</u>	<u>2</u>
8500 <b>Total comprehensive income</b>	<u>\$ 197,438</u>	<u>16</u>	<u>156,368</u>	<u>16</u>
8700 <b>Profit (loss), attributable to:</b>				
8610 Owners of the Company	\$ 223,682	18	140,441	14
8620 Non-controlling interests	<u>(38)</u>	<u>-</u>	<u>(49)</u>	<u>-</u>
	<u>\$ 223,644</u>	<u>18</u>	<u>140,392</u>	<u>14</u>
<b>Total comprehensive income attributable to:</b>				
8710 Owners of the Company	\$ 197,402	16	156,411	16
8720 Non-controlling interests	<u>36</u>	<u>-</u>	<u>(43)</u>	<u>-</u>
	<u>\$ 197,438</u>	<u>16</u>	<u>156,368</u>	<u>16</u>
<b>Basic earnings per share (NT dollars) (note 6(p))</b>				
9750 Basic earnings per share	<u>\$ 6.61</u>		<u>4.38</u>	
9850 Diluted earnings per share	<u>\$ 6.50</u>		<u>4.38</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**THAI KIN CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2020 and 2019****(expressed in thousands of New Taiwan Dollars)****Equity attributable to owners of the Company**

	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated retained earnings	Total				
<b>Balance at January 1, 2019</b>	\$ 300,000	48,483	-	89,971	89,971	19,066	457,520	230	457,750
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	7,396	(7,396)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(45,000)	(45,000)	-	(45,000)	-	(45,000)
Profit (loss) for the year ended December 31, 2019	-	-	-	140,441	140,441	-	140,441	(49)	140,392
Other comprehensive income	-	-	-	(833)	(833)	16,803	15,970	6	15,976
Total comprehensive income	-	-	-	139,608	139,608	16,803	156,411	(43)	156,368
Issuance of shares	35,300	95,119	-	-	-	-	130,419	-	130,419
Balance at December 31, 2019	335,300	143,602	7,396	177,183	184,579	35,869	699,350	187	699,537
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	14,044	(14,044)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(103,943)	(103,943)	-	(103,943)	-	(103,943)
Equity component of convertible bonds issued	-	8,469	-	-	-	-	8,469	-	8,469
Changes in ownership interests in subsidiaries	-	-	-	(89)	(89)	-	(89)	-	(89)
Profit (loss) for the year ended December 31, 2020	-	-	-	223,682	223,682	-	223,682	(38)	223,644
Other comprehensive income	-	-	-	(2,287)	(2,287)	(23,993)	(26,280)	74	(26,206)
Total comprehensive income	-	-	-	221,395	221,395	(23,993)	197,402	36	197,438
Issuance of shares	20,000	82,000	-	-	-	-	102,000	-	102,000
<b>Balance at December 31, 2020</b>	<b>\$ 355,300</b>	<b>234,071</b>	<b>21,440</b>	<b>280,502</b>	<b>301,942</b>	<b>11,876</b>	<b>903,189</b>	<b>223</b>	<b>903,412</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**THAI KIN CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2020 and 2019****(expressed in thousands of New Taiwan Dollars)**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Profit before income tax	\$ 255,944	156,114
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expenses	51,684	46,602
Net gains on financial liabilities at fair value through profit or loss	(80)	-
Interest expenses	9,057	10,095
Interest revenues	(788)	(1,322)
Losses on disposal of property, plant and equipment	7,536	-
Gains from disposal of investments	-	(4,337)
Losses from disaster	31,427	-
<b>Total adjustments to reconcile profit</b>	<u>98,836</u>	<u>51,038</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Net changes in operating assets:</b>		
Trade receivables	(9,054)	(83,647)
Other receivables	10,782	(9,850)
Inventories	(17,145)	(28,639)
Other current assets	3,661	(2,428)
<b>Total net changes in operating assets</b>	<u>(11,756)</u>	<u>(124,564)</u>
<b>Net changes in operating liabilities:</b>		
Notes payable	538	9
Trade payables	29,897	(9,930)
Other payables	8,747	1,212
Other current liabilities	426	(6)
Net defined benefit liabilities	2,352	3,221
<b>Total net changes in operating liabilities</b>	<u>41,960</u>	<u>(5,494)</u>
<b>Net changes in operating assets and liabilities</b>	<u>30,204</u>	<u>(130,058)</u>
<b>Total adjustments</b>	<u>129,040</u>	<u>(79,020)</u>
Cash inflow generated from operations	384,984	77,094
Interests received	763	1,320
Interests paid	(8,973)	(10,218)
Income taxes paid	(20,190)	(26,014)
<b>Net cash flows from operating activities</b>	<u>356,584</u>	<u>42,182</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(168,164)	(76,192)
Proceeds from disposal of property, plant and equipment	44	63
Decrease in refundable deposits	-	555
Increase in prepayments for equipment	(2,655)	(479)
Decrease (increase) in restricted deposits	1,007	(76)
<b>Net cash flows used in investing activities</b>	<u>(169,768)</u>	<u>(76,129)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	618,345	700,607
Repayments of short-term borrowings	(608,589)	(468,999)
Proceeds from bonds issuance	212,715	-
Proceeds from long-term borrowings	74,449	36,060
Repayments of long-term borrowings	(11,991)	(220,162)
Payment of lease liabilities	(854)	(852)
Cash dividends paid	(103,943)	(135,000)
Proceeds from issuance of shares	102,000	130,419
Change in non-controlling interests	(89)	-
<b>Net cash flows from financing activities</b>	<u>282,043</u>	<u>42,073</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(17,654)</u>	<u>(1,003)</u>
<b>Net increase in cash and cash equivalents</b>	451,205	7,123
<b>Cash and cash equivalents at beginning of period</b>	<u>150,961</u>	<u>143,838</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 602,166</u>	<u>150,961</u>

See accompanying notes to consolidated financial statements.

## THAI KIN CO., LTD.

## 2020 Annual Profit Distribution Table

Unit : NTD\$

Items	Amount
<b>Beginning retained earnings</b>	59,196,480
Add : Profit (Loss) for the period 2020	223,682,125
Less : Caused by actuarial gains from revaluation of defined benefit plan	(2,287,593)
Less : Recognition of changes in equity of subsidiaries	(89,385)
Less : Legal reserve appropriated	(22,130,515)
<b>Distributable net profit</b>	<b>258,371,112</b>
Less : Cash dividend (NTD 4.5 per share)	(159,885,000)
<b>Unappropriated retained earnings</b>	<b>98,486,112</b>

Chairman : HSU,TA-CHIN

Chief Executive Officer : HSU,CHEN-JUNG

Accounting Manager: Huang Cheng Hsiu

Proposal for the Amendment	Original Article
Memorandum of Association of Thai Kin Co., Ltd. 第五次修訂及重述章程大綱 修正條文對照表	
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies <u>Act</u> ( <u>Revised</u> ).	3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies <u>Law</u> ( <u>2020 Revision</u> ).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies <u>Act</u> ( <u>Revised</u> ).	4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies <u>Law</u> ( <u>2020 Revision</u> ).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies <u>Act</u> (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance <u>Act</u> (as amended), or to carry on the business of	5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies <u>Law</u> (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance <u>Law</u> (as amended), or to carry on the business of Company

Attachment 9

<p>Company Management without being licensed in that behalf under the provisions of the Companies Management <u>Act</u> (as amended).</p>	<p>Management without being licensed in that behalf under the provisions of the Companies Management <u>Law</u> (as amended).</p>
<p>8. The authorized share capital of the Company is New Taiwan Dollars 1,000,000,000 divided into 100,000,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies <u>Act (Revised)</u> and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.</p>	<p>8. The authorized share capital of the Company is New Taiwan Dollars 1,000,000,000 divided into 100,000,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies <u>Law (2020 Revision)</u> and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.</p>
<p>9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies <u>Act (Revised)</u>.</p>	<p>9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies <u>Law (2020 Revision)</u>.</p>

Proposal for the Amendment	Original Article
Articles of Association of Thai Kin Co., Ltd. 第五次修訂及重述章程 修正前後條文對照表	
<p>1.1 In these Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:</p> <p>(Omitted)</p> <p>Directors' Remuneration has the meaning given thereto in Article 14.5;</p> <p>(Omitted)</p> <p>Electronic Record has the same meaning as in the Electronic Transactions <u>Act</u>;</p> <p>Electronic Transactions Law the Electronic Transactions <u>Act</u> (2003 Revision) of the Cayman Islands;</p> <p>Employees' Remuneration has the meaning given thereto in Article 14.5;</p> <p>(Omitted)</p>	<p>1.1 In these Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:</p> <p>(Omitted)</p> <p>Directors' Remuneration has the meaning given thereto in Article 14.4;</p> <p>(Omitted)</p> <p>Electronic Record has the same meaning as in the Electronic Transactions <u>Law</u>;</p> <p>Electronic Transactions Law the Electronic Transactions <u>Law</u> (2003 Revision) of the Cayman Islands;</p> <p>Employees' Remuneration has the meaning given thereto in Article 14.4;</p> <p>(Omitted)</p>

Attachment 9

<p>Law                      The Companies <u>Act (Revised)</u> of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;</p> <p>(Omitted)</p> <p>Statutory Reserve    has the meaning given thereto in Article 14.6;</p> <p>(Omitted)</p>	<p>Law                      The Companies <u>Law (2020 Revision)</u> of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;</p> <p>(Omitted)</p> <p>Statutory Reserve    has the meaning given thereto in Article 14.5;</p> <p>(Omitted)</p>
<p>2.6    The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:</p> <p>(a)    in connection with a Merger, Share Exchange, Spin-off, or pursuant to any reorganization of the Company;</p> <p>(b)    in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11;</p> <p>(c)    in connection with the issue of Restricted Shares in accordance with Article 2.5;</p> <p>(d)    in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;</p> <p>(e)    in connection with meeting the Company's obligations</p>	<p>2.6    The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:</p> <p>(a)    in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;</p> <p>(b)    in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11;</p> <p>(c)    in connection with the issue of Restricted Shares in accordance with Article 2.5;</p> <p>(d)    in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;</p> <p>(e)    in connection with meeting the Company's obligations</p>



Attachment 9

<p>under Preferred Shares vested with rights to acquire shares;</p> <p>(f) in connection with the issue of shares in accordance with Article 14.8; or</p> <p>(g) in connection with Private Placement of the securities issued by the Company.</p>	<p>under Preferred Shares vested with rights to acquire shares;</p> <p>(f) in connection with the issue of shares in accordance with Article 14.7; or</p> <p>(g) in connection with Private Placement of the securities issued by the Company.</p>
<p><u>14.3</u> The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on a semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Articles 14.4 to 14.8, 14.11 and 14.12 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Articles 14.4 and 14.9 to 14.12.</p>	<p>(New Article)</p>
<p><u>14.4</u> Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of Article 12.3(a) or 12.5 (in case of the issuance of new shares), Supermajority Resolution in the annual meeting. After the Board approves the distribution of dividend in cash, the Board</p>	<p><u>14.3</u> <u>With respect to the dividend to be distributed at the end of each financial year,</u> subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits <u>after each financial year</u> in accordance with a proposal for profits distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of Article 12.3(a), Supermajority Resolution in the annual meeting. After the</p>

Attachment 9

<p>shall report such distribution in the next annual general meeting.</p>	<p>Board approves the distribution of dividend in cash, the Board shall report such distribution in the next annual general meeting.</p>
<p>14.5 (Omitted)</p>	<p>14.4 (Omitted)</p>
<p>14.6 In determining the Company's dividend policy, the Board recognizes that the Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:</p> <ul style="list-style-type: none"> <li>(a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and</li> <li>(b) shall set aside out of the profits of the Company for each financial year in addition to the allocation in accordance with Article 14.5: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent as a general reserve ("Statutory Reserve") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 15.1.</li> </ul>	<p>14.5 In determining the Company's dividend policy, the Board recognizes that the Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:</p> <ul style="list-style-type: none"> <li>(a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and</li> <li>(b) shall set aside out of the profits of the Company for each financial year in addition to the allocation in accordance with Article 14.4: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent as a general reserve ("Statutory Reserve") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 15.1.</li> </ul>
<p>14.7 For so long as the shares are traded on the ESM or listed on the</p>	<p>14.6 For so long as the shares are traded on the ESM or listed on the</p>

Attachment 9

<p>TPEX or the TSE in the ROC, subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 14.5 and such amounts as the Board deems fit in accordance with the dividend policy set out in Article 14.6, the Board shall recommend to Members for approval to distribute no less than 10 per cent of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as dividend to the Members and the allocation will be made upon the passing of the resolution by the Members.</p>	<p>TPEX or the TSE in the ROC, subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 14.4 and such amounts as the Board deems fit in accordance with the dividend policy set out in Article 14.5, the Board shall recommend to Members for approval to distribute no less than 10 per cent of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as dividend to the Members and the allocation will be made upon the passing of the resolution by the Members.</p>
<p>14.8 (Omitted)</p>	<p>14.7 (Omitted)</p>
<p><u>14.9 For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for the first half of the financial year, together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the Applicable Public Company Rules), shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.</u></p>	<p>(New Article)</p>
<p><u>14.10 When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes, (b) offset losses incurred in previous years, (c) reserve employees' compensation, and (d) reserve the general reserve (unless the total amount of the accumulated general reserve has reached the total paid-up capital of the Company).</u></p>	<p>(New Article)</p>

Attachment 9

14. <u>11</u> (Omitted)	14. <u>8</u> (Omitted)
14. <u>12</u> (Omitted)	14. <u>9</u> (Omitted)
14. <u>13</u> (Omitted)	14. <u>10</u> (Omitted)

## Rules of Procedure for Shareholders' Meetings of Thai Kin Co., Ltd.

### Comparison table of amended provisions of the articles

Amended article	Current article	Explanation
<p>Article 3 Paragraphs 1 to 3 are omitted.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in an electronic form. The following matters shall be set out and their main contents shall be explained in the notice of the reasons for convening the shareholders meeting, and none of the matters may be raised by an extempore motion: I-VI omitted. <b>VII: Distribution of dividends and dividends by issuing new shares.</b> VIII: omitted <b><u>IX: Private placement of securities and corporate bonds.</u></b> <del>The main contents of the above-mentioned matters may be published on the website designated by the competent securities authorities or the Company, and the web address shall be set forth in the shareholders' meeting convening notice.</del></p> <p>Paragraph 5 is omitted.</p> <p>Shareholders holding one percent or more of the total number of issued shares during the emerging stock registration period or the period of the Company's shares primarily listing on the Taiwan Stock Exchange or on the OTC market may submit the Company a proposal for discussion at the annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Only one matter shall be allowed in each proposal pursuant to Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal would not be included in the agenda.</p> <p>The following paragraphs are omitted.</p>	<p>Article 3 Paragraphs 1 to 3 are omitted.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in an electronic form. The following matters shall be set out and their main contents shall be explained in the notice of the reasons for convening the shareholders meeting, and none of the matters may be raised by an extempore motion: I-VI omitted. VII: Distribution of the surplus earning, in whole or in part, by issuing new shares to increase capital. VIII: omitted <u>IX: The Company's issuance or private placement of equity securities.</u> <del>The main contents of the above-mentioned matters may be published on the website designated by the competent securities authorities or the Company, and the web address shall be set forth in the shareholders' meeting convening notice.</del></p> <p>Paragraph 5 is omitted.</p> <p>Shareholders holding one percent or more of the total number of issued shares during the emerging stock registration period or the period of the Company's shares primarily listing on the Taiwan Stock Exchange or on the OTC market may submit the Company a written proposal for discussion at the annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at an annual meeting of shareholders by the Board of Directors.</p> <p>The following paragraphs are omitted.</p>	<p>I. In line with the original text of the regulations, the text in this Article are amended, and the method of announcements is adjusted in accordance with the provisions.</p> <p>II. Paragraph 6 in this Article is amended in accordance with the amendment to paragraph 5, Article 172 of the Company Act and per Letter No. 10700105410 of Ministry of Economic Affairs.<sup>1</sup></p>

**Attachment 10**

<p>Article 9 Paragraph 1 is omitted. The Chair shall call the meeting to order at the appointed meeting time and announce information such as the number of shares with no voting right and number of shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the Chair shall declare the meeting adjourned.</p> <p>The following paragraphs are omitted.</p>	<p>Article 9 Paragraph 1 is omitted. The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the Chair shall declare the meeting adjourned.</p> <p>The following paragraphs are omitted.</p>	<p>In order to enhance corporate governance and safeguard the rights and interests of shareholders, paragraph 2 in this Article has therefore been amended.</p>
<p>Article 14 The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the list of directors who have been defeated and the number of votes they have obtained.</p> <p>Paragraph 2 is omitted.</p>	<p>Article 14 The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p> <p>Paragraph 2 is omitted.</p>	<p>In order to enhance corporate governance and safeguard the rights and interests of shareholders, paragraph 1 in this Article has therefore been amended.</p>

Election Procedures of Directors of Thai Kin Co., Ltd.  
Comparison table of amended provisions of the articles

Amended article	Current article	Explanation
<p>Article 5 5.1 The election of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p>	<p>Article 5 5.1 The election of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.</p>	<p>In line with amendment of Article 192-1 of the Company Act where procedures for nomination of directors is simplified, paragraph 1 in this Article has therefore been amended.</p>
<p>Paragraph 2 omitted</p> <p>5.3 When the number of Independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Paragraph 2 omitted</p> <p>When the number of Independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation Rules Governing the Review of Listings, or subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>In accordance with December 29, 2018 Letter No. Financial-Supervisory-Securities-Corporate-1070345233 issued by Financial Supervisory Commission where companies listed on the TPEX or the TSE are required to establish independent directors, paragraph 3 in this Article is modified as appropriate.</p>

Amended article	Current article	Explanation
<p>Article 10 <b>Deleted</b></p>	<p>Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered</p>	<p>In accordance with April 25, 2019 Order No. Financial-Supervisory-Securities-Trading-1080311451 issued by Financial Supervisory Commission, with effect from 2021, all TWSE and TPEX listed companies shall adopt a candidate nomination system for the election of Directors and Supervisors, and shareholders shall elect the Directors and Supervisors from among the nominees listed in the roster of candidates. Prior to the shareholders' meeting, shareholders may familiarize with the names, education background and other relevant information of the candidates via the roster; verification of shareholders would be by shareholder number or identity card number. The Article is no longer relevant and is deleted accordingly.</p>
<p>Article 10 A ballot is invalid under any of the following circumstances: 10.1 The ballot was not prepared by a person with the right to convene. 10.2 A blank ballot is placed in the ballot box. 10.3 The writing is unclear and indecipherable or has been altered. <u>10.4 The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> <u>10.5 Other words or marks are entered in addition to the number of voting rights allotted.</u></p>	<p>Article 11 A ballot is invalid under any of the following circumstances: 10.1 The ballot was not prepared by the Board of Directors. 10.2 A blank ballot is placed in the ballot box. 10.3 The writing is unclear and indecipherable or has been altered. 10.4 The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 10.5 Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. <u>10.6 The name of the candidate entered in the ballot is identical to that of another shareholder, but no</u></p>	<p>In line with the deletion of Article 10, the article number is adjusted.</p> <p>Pursuant to regulations in Article 173 of the Company Act, shareholders may, upon approval from the competent authority, convene a meeting under special circumstances (for instance, when a notice that the Board of Directors will not convene a meeting has been received). Paragraph 1 in this Article has therefore been amended accordingly. In line with the provisions of April 25, 2019 Letter No. Financial-Supervisory-Securities-Trading-1080311451 issued by Financial Supervisory Commission: "A TWSE/TPEX listed company shall adopt a candidate nomination system for the election of the Directors and Supervisors, which shall be expressly stipulated in the Articles of Incorporation of the Company; and the shareholders shall elect the Directors and Supervisors from among the nominees listed in the roster of Director and Supervisors candidates," paragraphs 4 and 5 in this Article has therefore been amended and paragraph 6 in this Article is deleted accordingly</p>



**Attachment 11**

Amended article	Current article	Explanation
	<u>shareholder account number or identity card number is provided in the ballot to identify such an individual.</u>	
Article 11	Article 12	In line with the deletion of Article 10, the article number is adjusted.
Article 12	Article 13	In line with the deletion of Article 10, the article number is adjusted.
Article 13	Article 14	In line with the deletion of Article 10, the article number is adjusted.
Article 14	Article 15	In line with the deletion of Article 10, the article number is adjusted.
Article 15 (newly inserted) The first amendment was made on June 17, 2021.		

**THE COMPANIES LAW (2020 Revision)  
COMPANY LIMITED BY SHARES**

**FOURTH AMENDED AND RESTATED MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**Thai Kin Co., Ltd.**

(adopted by a Special Resolution passed on June 24, 2020)

THE COMPANIES LAW (2020 Revision)  
COMPANY LIMITED BY SHARES  
FOURTH AMENDED AND RESTATED  
MEMORANDUM OF ASSOCIATION  
OF

Thai Kin Co., Ltd.

(adopted by a Special Resolution passed on June 24, 2020)

1. The name of the Company is Thai Kin Co., Ltd.
2. The Registered Office of the Company shall be at the offices of Portcullis (Cayman) Ltd. of The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, or at such other place within the Cayman Islands as the Board may decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies Law (2020 Revision).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law (2020 Revision).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies Law (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law (as amended).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
8. The authorized share capital of the Company is New Taiwan Dollars 1,000,000,000 divided into 100,000,000 ordinary shares of a par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Law (2020

Revision) and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2020 Revision).

**THE COMPANIES LAW (2020 Revision)  
COMPANY LIMITED BY SHARES**

**FOURTH AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**OF**

**Thai Kin Co., Ltd.**

(adopted by a Special Resolution passed on June 24, 2020)

## TABLE OF CONTENTS

### **Table A INTERPRETATION**

1. Definitions
- SHARES**
2. Power to Issue Shares
3. Redemption and Purchase of Shares
4. Rights Attaching to Shares
5. Share Certificates
6. Preferred Shares
- REGISTRATION OF SHARES**
7. Register of Members
8. Registered Holder Absolute Owner
9. Transfer of Registered Shares
10. Transmission of Registered Shares
- ORDINARY RESOLUTION, SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION**
11. Alteration of Capital
12. Special Resolution and Supermajority Resolution
13. Variation of Rights Attaching to Shares
- DIVIDENDS AND CAPITALISATION**
14. Dividends
15. Capital Reserve and Power to Set Aside Profits
16. Method of Payment
17. Capitalisation
- MEETINGS OF MEMBERS**

18. Annual General Meetings
19. Extraordinary General Meetings
20. Notice
21. Giving Notice
22. Postponement of General Meeting
23. Quorum and Proceedings at General Meetings
24. Chairman to Preside
25. Voting on Resolutions
26. Proxies
27. Proxy Solicitation
28. Dissenting Member's Appraisal Right
29. Shares that May Not be Voted
30. Voting by Joint Holders of Shares
31. Representation of Corporate Member
32. Adjournment of General Meeting
33. Directors Attendance at General Meetings
- DIRECTORS AND OFFICERS**
34. Number and Term of Office of Directors
35. Election of Directors
36. Removal of Directors
37. Vacation of Office of Director
38. Compensation of Directors
39. Defect in Election of Director
40. Directors to Manage Business
41. Powers of the Board of Directors
42. Register of Directors and Officers
43. Officers
44. Appointment of Officers
45. Duties of Officers
46. Compensation of Officers
47. Conflict of Interest

48. Indemnification and Exculpation of Directors and Officers
- MEETINGS OF THE BOARD OF DIRECTORS**
49. Board Meetings
50. Notice of Board Meetings
51. Participation in Meetings by Video Conference
52. Quorum at Board Meetings
53. Board to Continue in the Event of Vacancy
54. Chairman to Preside
55. Validity of Prior Acts of the Board
- CORPORATE RECORDS**
56. Minutes
57. Register of Mortgages and Charges
58. Form and Use of Seal
- ACCOUNTS**
59. Books of Account
60. Financial Year End
- AUDIT COMMITTEE**
61. Number of Audit Committee Members
62. Power of Audit Committee
- VOLUNTARY DISSOLUTION AND WINDING-UP**
63. Voluntary Dissolution and Winding-Up
- CHANGES TO CONSTITUTION**
64. Changes to Articles
- LITIGIOUS AND NON-LITIGIOUS AGENT**
65. Appointment of Litigious and Non-Litigious Agent
- OTHERS**
66. Shareholder Protection Mechanism
67. ROC Securities Laws and Regulations
68. Social Responsibilities

**THE COMPANIES LAW (2020 Revision)**  
**COMPANY LIMITED BY SHARES**  
**FOURTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**Thai Kin Co., Ltd.**

(adopted by a Special Resolution passed on June 24, 2020)

**Table A**

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

**INTERPRETATION**

**1. Definitions**

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

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEx and the rules and regulations promulgated by the TSE, as amended from time to time) affecting 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;
Articles	these Articles of Association as altered from time to time;

Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles;
Capital Reserve	for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Thai Kin Co., Ltd.;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 35.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Directors' Remuneration	has the meaning given thereto in Article 14.4;
Dissenting Member	has the meaning given thereto in Article 28.2;
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
Employees' Compensations	has the meaning given thereto in Article 14.4;



Employee Subscription Portion	has the meaning given thereto in Article 2.3;
ESM	the emerging stock market of the ROC;
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;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Law <u>(2020 Revision)</u> of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious	a person appointed by the Company

Agent	pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
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 persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
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;
month	calendar month;
Notice	written notice as further provided in the Articles unless otherwise specifically

	stated;
Officer	any person appointed by the Board to hold an office in the Company;
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 not less than a simple majority vote of the Members present at the meeting, in person or by proxy;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Public Offering Portion	has the meaning given thereto in Article 2.3;
Register of Directors and Officers	the register of directors and officers referred to in Article 42;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the shares of the Company are traded on the ESM or listed on the TPEX or the TSE in Taiwan) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
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;
share(s)	share(s) of par value New Taiwan Dollars 10.00 each in the Company;
Share Exchange	a 100% share exchange as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquires all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorized representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;
Statutory Reserve	has the meaning given thereto in Article 14.5;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the

	total amount of the share capital are directly or indirectly held by such company; or (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation;
Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
TPEX	the Taipei Exchange;
Treasury Shares	means shares of the Company held in treasury pursuant to the Law and the Articles;
TDCC	the Taiwan Depository & Clearing Corporation;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

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

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
  - (i) "may" shall be construed as permissive; and

- (ii) "shall" shall be construed as imperative;
  - (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
  - (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
  - (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
  - (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.
- 1.3** Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

## **SHARES**

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

- 2.1** Subject to Applicable Law, the Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may, subject to Article 6.1, by Ordinary Resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law and the Applicable Public Company Rules.
- 2.2** Unless otherwise provided in the Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3** After the application for trading of the shares on the ESM or listing in the ROC has been approved by the TPEX or the TSE, as applicable, where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC, the TPEX or the TSE for the Company to conduct the aforementioned public offering or otherwise provided by Applicable Law. However, if a percentage higher than

the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve no more than 15 per cent of such new shares for subscription by the employees of the Company and its Subsidiaries ("**Employee Subscription Portion**"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.

- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

If any person who has subscribed the new shares (by exercising the aforesaid pre-emptive right of Members or subscribing the Public Offering Portion or the Employee Subscription Portion) 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.

- 2.5** Subject to the Applicable Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, 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 rules promulgated by the competent authority of securities of the ROC.
- 2.6** The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Share Exchange, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11;
  - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5;
  - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
  - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
  - (f) in connection with the issue of shares in accordance with Article 14.7; or
  - (g) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid shares.
- 2.8** Notwithstanding Article 2.5, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 or the incentive programmes pursuant to Article



2.8, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

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

### **3. Redemption and Purchase of Shares**

**3.1** 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.

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

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

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

**3.5** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in the ROC, subject to the provisions of the Applicable Law and the Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Board may determine and hold them as Treasury Shares in accordance with the Applicable Law PROVIDED THAT if any purchase of the Company's own shares from all the Members involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an Ordinary Resolution and the number of shares of the Company to be cancelled shall be effected based on the then prevailing percentage of shareholding of all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Board), unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an Ordinary Resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in any manner authorized by the Law, including in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant

before being submitted by the Board to the Members for approval as part of the Ordinary Resolution authorizing the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind. Without prejudice to this Article 3.5, in the case of a repurchase of shares by the Company for purposes of changing the currency denomination of share capital of the Company, consent of the holders of the shares subject to such repurchase shall not be required.

**3.6** In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEX or the TSE in the ROC and holds them as Treasury Shares pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should 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 purchase its shares traded on the ESM or listed on the TPEX or the TSE in the ROC for any reason.

**3.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Company is authorized to purchase any share traded on the ESM or listed on the TPEX or the TSE in the ROC in accordance with the following manner of purchase:

- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
  - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
  - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;
- (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
- (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
  - (i) such purchase transactions shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules; and
  - (ii) such purchase transactions shall be in accordance with the Law.

**3.8** Subject to Article 3.5 and the Applicable Public Company Rules, the redemption or repurchase price may be paid in any manner permissible under the Law as

determined by the Board.

- 3.9** 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 Board, after due enquiry, estimates to be representative of the rates being offered by banks holding "A" licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.10** The Board may exercise as it thinks fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.11** Subject as aforesaid, the Board may determine, as it thinks fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be affected.
- 3.12** No share may be redeemed unless it is fully paid.
- 3.13** The Board may designate as Treasury Shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Applicable Law.
- 3.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
  - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Law.
- 3.16** After the Company purchases the shares traded on the ESM or listed on the TPEX or the TSE in the ROC, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the

Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.

**3.17** Subject to Article 3.16 and the Applicable Public Company Rules, Treasury Shares may be disposed of (by cancellation or transfer) by the Company on such terms and conditions in accordance with the Applicable Law as determined by the Board.

#### **4. Rights Attaching to Shares**

Subject to Article 2.1, the Memorandum and the Articles, other contractual obligations or restrictions that the Company is bound by 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 the Articles:

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

#### **5. Share Certificates**

**5.1** The Company may issue shares in uncertificated/scripless form or issue share certificates. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, 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.

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

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

- 5.4** When the Company shall issue share certificates pursuant to Article 5.1, the Company shall deliver the share certificates to the subscribers within thirty days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer within thirty days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

## **6. Preferred Shares**

- 6.1** The Company may by Special Resolution designate one or more classes of shares with preferred or other special rights (shares with such preferred or other special rights, "**Preferred Shares**"), and may amend the Memorandum and the Articles as appropriate to reflect the designation of shares as Preferred Shares.
- 6.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
  - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
  - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
  - (e) other matters concerning rights and obligations incidental to Preferred Shares.

## **REGISTRATION OF SHARES**

### **7. Register of Members**

- (a) For so long as shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Board shall appoint and which shall be maintained in accordance with the Law and the Applicable Public

Company Rules.

- (b) In the event that the Company has shares that are not traded on the ESM or listed on the TPEX or the TSE in the ROC, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

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

Except as required by law:

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

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

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

## **10. Transmission of Registered Shares**

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of

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

- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.3 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognize no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

## **ORDINARY RESOLUTION, SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION**

### **11. Alteration of Capital**

- 11.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
  - (a) increase its share capital by new shares of such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
  - (c) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination for the purpose of redenominating its share capital;
  - (d) sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be

the same as it was in case of the share from which the reduced share is derived; or

- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**11.2** The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the new proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorize some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

## **12. Special Resolution and Supermajority Resolution**

**12.1** Subject to the Law and the Articles, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to the Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; or
- (e) effect a Merger under the Law.

**12.2** Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of corporate bonds which do not involve the grant of a warrant, option, or right of conversion or otherwise grant the holders of the bonds the right to acquire equity or similar rights by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in different tranches within one year from the date of the resolution of the Board in accordance with Applicable Public Company Rules.

**12.3** Subject to the Law and Article 12.4, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution:

- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17;



- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Exchange, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company; or
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

**12.4** Subject to the Law, the Company may be wound up voluntarily:

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.4(a) above.

**12.5** Subject to the Applicable Law, the Company may distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributed as bonus shares to its existing Members in proportion to the number of shares being held by each of them or by cash distribution to its Members.

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

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

## **DIVIDENDS AND CAPITALISATION**

### **14. Dividends**

**14.1** The Board may declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or, subject to Article 14.2, wholly or partly in specie. No unpaid dividend

shall bear interest as against the Company.

- 14.2** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realized or unrealized, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.
- 14.3** With respect to the dividend to be distributed at the end of each financial year, subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits after each financial year in accordance with a proposal for profits distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of Article 12.3(a) or 12.5 (in the case of an issuance of new shares as bonus shares), Supermajority Resolution in the annual meeting. After the Board approves the distribution of dividend in cash, the Board shall report such distribution in the next annual general meeting.
- 14.4** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in the ROC, unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no more than 5 per cent as compensation to employees ("**Employees' Compensations**") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications determined by the Board. The Company shall, from the surplus profit, set aside no more than 3 per cent as remuneration for the Directors (excluding the Independent Directors) ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.
- 14.5** In determining the Company's dividend policy, the Board recognizes that the Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:

- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
- (b) shall set aside out of the profits of the Company for each financial year in addition to the allocation in accordance with Article 14.4: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent as a general reserve ("**Statutory Reserve**") (unless the Statutory Reserve has reached the total paid-up capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 15.1.

**14.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 14.4 and such amounts as the Board deems fit in accordance with the dividend policy set out in Article 14.5, the Board shall recommend to Members for approval to distribute no less than 10 per cent of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as dividend to the Members.

**14.7** Dividends to the Members and the Employees' Compensation may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than 10 per cent of the total amount of such dividend shall be paid in cash.

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

**14.9** For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Board may provide that the Register of Members be closed for transfers for five days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

**14.10** No unpaid dividend and compensation shall bear interest as against the Company.

## **15. Capital Reserve and Power to Set Aside Profits**

**15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend

distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Board either be employed in the business of the Company or invested in such investment as the Board may from time to time think fit, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.

**15.2** Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Board may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

## **16. Method of Payment**

**16.1** Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

**16.2** 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 holder may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

**16.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the payment of any dividend shall comply with the Applicable Public Company Rules and the Law.

## **17. Capitalization**

Subject to the Applicable Law (for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC) and Articles 12.3(a) and 12.5 (in the case of an issuance of new shares as bonus shares), the Board may capitalize any sum for the time being standing to the credit of the Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

### **MEETINGS OF MEMBERS**

## **18. Annual General Meetings**

**18.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, which shall be called by the

Board.

**18.2** Subject to Article 18.1, the annual general meeting of the Company may be held at such time and place as the Board shall determine. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, unless otherwise provided by the Law, the annual general meetings shall be held in the ROC. If the Board resolves to hold an annual general meeting outside the ROC, the Company shall apply for the approval of the TSE/TPEX within two days after the Board adopts such resolution. Where an annual general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

## **19. Extraordinary General Meetings**

**19.1** General meetings other than annual general meetings shall be called extraordinary general meetings.

**19.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable. Article 18.2 shall apply to extraordinary general meetings.

**19.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.

**19.4** A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.

**19.5** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor.

**19.6** If the Board does not within fifteen days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board. If it is proposed that the extraordinary general meeting be held outside the ROC, an application shall be submitted by such requisitionists to the TSE/TPEX for its prior approval.

**19.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, any one or more Member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty per cent. of the total issued Shares of the Company for a continuous period

of no less than three months. The number of the Shares held by a Member and the period during which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.

**19.8** If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director may convene a general meeting when he/she in his/her absolute discretion deems necessary.

## **20. Notice**

**20.1** Before the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, at least five days' notice of a 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.

**20.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, at least thirty days' notice of an annual general meeting, and 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. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.

**20.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall fix a 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.

**20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**20.5** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, 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 in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2, 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 Article 20.2. The Board shall prepare a meeting handbook of the relevant

general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules.

**20.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or the Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the Shares,
- (e) (i) dissolution, Merger, Share Exchange, or Spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,
- (h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and
- (i) Private Placement of any equity-related securities to be issued by the Company.

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

**20.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall keep the Memorandum and 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 Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the

relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.

- 20.8** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten days prior to such annual general meeting in accordance with Applicable Public Company Rules. 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 inspection and review.
- 20.9** If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any Applicable Law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

## **21. Giving Notice**

- 21.1** Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purpose of this Article, a notice may be sent via electronic means if so agreed to by the Members in writing.
- 21.2** Any Notice or other document shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of the Articles.

Any Notice or document may be given to a Member either in the Chinese language or the English language, subject to due compliance with all Applicable Law, rules and regulations.

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

## **22. Postponement of General Meeting**

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



meeting to a specified date which is not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5 and 21 do not apply and notice of the adjournment shall not be required.

### **23 Quorum and Proceedings at General Meetings**

- 23.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 23.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.
- 23.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll.
- 23.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within thirty days after passing of such resolution. The Taipei District Court, ROC, may be the court for adjudicating any disputes arising out of the foregoing.
- 23.5** 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.
- 23.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, Member(s) holding one per cent or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company one matter for discussion at an annual general meeting. The 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 one per cent of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) 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 responsibilities, the Board may accept such proposal to be discussed in general meeting.

**23.7** The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, the Articles and the Applicable Public Company Rules.

#### **24. Chairman to Preside**

**24.1** In the event that the general meeting is convened by the Board, the Chairman shall act as chairman at all meetings of the Members at which such person is present. In his absence the Directors who are present at the general meeting shall elect one from among themselves to act as the chairman at such meeting in lieu of the Chairman.

**24.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the chairman at all meetings of the Members shall be appointed or elected in accordance with the Applicable Public Company Rules.

#### **25. Voting on Resolutions**

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

**25.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting nor unless he has paid all the calls on all shares held by such Member.

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

attend and vote at such meeting.

- 25.4** Subject to the Law, for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if a general meeting is to be held outside the ROC or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or 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 are 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 voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporaneous matters or amendment to resolution(s) proposed at the general meeting.
- 25.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 later intends to attend the general meetings in person, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.
- 25.6** A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting

decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

## **26. Proxies**

- 26.1** The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (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.
- 26.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor in writing, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney who is duly authorized for that purpose. A proxy need not be a Member of the Company.
- 26.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent threshold shall not be counted.
- 26.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorized 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 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.
- 26.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC 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, save with respect to the Chairman being deemed appointed as proxy under Article 25.4. Where more than one instrument to vote are 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.

## **27. Proxy Solicitation**

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

## **28. Dissenting Member's Appraisal Right**

**28.1** Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of 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 shares at the then prevailing fair price:

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

**28.2** Subject to compliance with the Law, any Member exercising his rights in accordance with Article 28.1 (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 with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the

general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety (90)-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

- 28.3** Subject to compliance with 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 (60)-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 Members. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.
- 28.4** Notwithstanding the above provisions under this Article 28, 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.

## **29. Shares that May Not be Voted**

### **29.1** Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent of its issued and voting share or share capital;

shall not carry any voting rights nor be counted in the total number of issued shares at any given time but only for so long as the circumstances as set out in sub-paragraphs (a) to (c) (as applicable) above continue.

- 29.2** 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 and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- 29.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, if the number of shares pledged 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 appointment, such pledged shares exceeding fifty per cent of the total shares held by such Director at the time of his latest appointment, up to fifty per cent of the total number of shares held by the 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.

**30. Voting by Joint Holders of Shares**

In the case of joint holders, the joint holders should appoint among themselves one person to exercise the rights of a Member pursuant to the Applicable Public Company Rules. In case no agreement is reached among the 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.

**31. Representation of Corporate Member**

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

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

**32. Adjournment of General Meeting**

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, or if the meeting is adjourned for more than five days, a notice stating the date, place and time 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 the Articles.

**33. Directors Attendance at General Meetings**

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

**DIRECTORS AND OFFICERS**

**34. Number and Term of Office of Directors**

- 34.1** There shall be a Board consisting of no less than 5 and no more than 9 persons. The term of office for each Director shall not exceed a period of three years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. 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 foregoing and the Applicable Law.
- 34.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, unless otherwise approved by the ROC competent authority, the number of Directors having a spousal relationship or Familial Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 34.3** 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 34.2, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 34.2. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation without any action required on behalf of the Company.
- 34.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three Independent Directors accounting for not less than one-fifth of the total number of Directors. 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 them shall have accounting or financial expertise. Before the shares are listed on the TPEX or the TSE in the ROC, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.
- 34.5** The Directors (including Independent Directors and Directors other than Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules.
- 34.6** Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.



## 35. Election of Directors

- 35.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2. 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.
- 35.2** The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "**Cumulative Voting**") in the following manner:
- (a) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
  - (b) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director or non-independent Director candidates;
  - (c) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
  - (d) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 35.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, if the number of Independent Directors is less than three persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 35.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, if the number of Directors is less than five persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.

**35.5** Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director.

### **36. Removal of Directors**

**36.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where re-election of all Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of 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.

**36.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, in case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or the Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent or more of the total number of issued shares of the Company may, within thirty days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of for this matter.

### **37. Vacation of Office of Director**

**37.1** The office of Director shall be vacated:

- (a) if the Director is removed from office pursuant to Article 36.1;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or
- (f) with immediate effect without any action required on behalf of the Company if
  - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;

- (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
- (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
- (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;
- (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgement, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;
- (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years; or
- (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 37.1(f) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

**37.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, in case a Director (other than an Independent Director) has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, ipso facto, be removed automatically from the office of Director with immediate effect and in such case no approval from the Members shall be required.

**37.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the election of a newly elected Director (other than an Independent Director) shall be forthwith invalidated if said Director, before

assuming office, transferred more than one half of the shares being held by him at the time of his election as a Director, or if said Director, during the book closure period prior to a general meeting, has transferred more than one half of the shares being held by him.

### **38. Compensation of Directors**

**38.1** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board may resolve to establish a Compensation Committee.

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

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

### **39. Defect in Election of Director**

Subject to Article 23.4 and the Applicable Law, 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.

### **40. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by the Articles, required to be exercised by the

Company in general meeting subject, nevertheless, to the Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

#### **41. Powers of the Board of Directors**

Without limiting the generality of Article 40 and subject to the Applicable Law, the Board may:

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

- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorize any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

## **42. Register of Directors and Officers**

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

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

**42.2** The Board shall, within the period of sixty 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 in accordance with the Law.

## **43. Officers**

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

## **44. Appointment of Officers**

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

## **45. 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.

## **46. Compensation of Officers**

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

## **47. Conflicts of Interest**

**47.1** Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 47.1 shall not apply to Independent Directors.

- 47.2** Notwithstanding anything to the contrary contained in this Article 47, 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 28.1 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. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.
- 47.3** Notwithstanding anything to the contrary contained in this Article 47, 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.
- 47.4** Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

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

- 48.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or

effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any 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, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.

**48.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

**48.3** To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent or more of the total issued shares of the Company for six months or longer may:

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

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

**48.4** Without prejudice and subject to the general directors' duties that a Director owe to the Company and the Members 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 has, in the course of conducting the Company's business, violated any laws 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**

### **49. Board Meetings**

- 49.1** Board meetings shall be convened by the Chairman, and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.
- 49.2** The Company shall hold regular meetings of the Board at least on a quarterly basis and for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, such meetings shall be held in compliance with the Applicable Public Company Rules.
- 49.3** A resolution shall be passed by a majority vote of the Directors present at the meeting and entitled to vote on such resolution, and in the case of equality of votes the resolution shall fail. For these purposes, where Directors present and entitled to vote at the meeting do not cast a vote at the meeting, such Directors will be deemed to vote against the resolution.
- 49.4** A Director may be represented at any meetings of the Board by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.
- 49.5** The instrument appointing a proxy shall be in writing in such form as the Board may approve and may at any time be revoked in like manner, and notice of every such appointment or revocation in like manner.
- 49.6** A proxy must be a Director and can only act on behalf of one appointing Director at a meeting of the Board.

### **50. Notice of Board Meetings**

- 50.1** The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board.

**50.2** Before the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, at least forty-eight hours prior notice shall be given for any meeting of the Board provided that in the case of urgent circumstances as agreed by a majority of the Directors, a meeting of the Board may be convened on short notice, or be held any time after notice has been given to every Director or be convened without prior notice if all Directors agree. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, to convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. For the purpose of this Article, a notice may be sent via electronic means if so agreed to by the Directors.

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

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

**52. Quorum at Board Meetings**

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.

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

The Board may act notwithstanding any vacancy in its number.

**54. Chairman to Preside**

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 in accordance with the Applicable Public Company Rules.

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

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

**CORPORATE RECORDS**

**56. 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.

## **57. Register of Mortgages and Charges**

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

**57.2** The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

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

**58.1** The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorized for this purpose by the Directors or the committee of Directors.

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

**58.3** The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Board thinks 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.

## **ACCOUNTS**

## **59. Books of Account**

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

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

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

**59.2** Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at

such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

**59.3** The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. 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 one year.

## **60. Financial Year End**

Unless the Directors otherwise specify, the financial year of the Company:

- (a) shall end on 31st December in the year of its incorporation and each following year; and
- (b) shall begin when it was incorporated and on 1st January each following year.

## **AUDIT COMMITTEE**

## **61. Number of Audit Committee Members**

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. The number of Audit 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. Before the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Board may resolve to establish an Audit Committee.

## **62. Powers of Audit Committee**

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

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;

- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) 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/second quarter financial reports (if applicable under the Applicable Public Company Rules); 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.

- 62.2** Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine the accounting books and documents, and request the Board or Officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorize any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.
- 62.3** The Audit Committee shall audit the various financial statements and records prepared by the Board for submission to the general meeting, and shall report their findings and opinions at such meeting.
- 62.4** Subject to compliance with the Law, before the meeting of the Board resolves any matter specified in Article 28.1 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 the Board 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 Taiwan securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

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

#### **63. Voluntary Dissolution and Winding-Up**

**63.1** The Company may be voluntarily wound-up in accordance with Article 12.4.

**63.2** 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 he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members subject to the Applicable Law. 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, 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**

#### **64. Changes to Articles**

Subject to the Law and to the conditions contained in the Memorandum, the Company may, by Special Resolution, alter or add to the Articles.

### **LITIGIOUS AND NON-LITIGIOUS AGENT**

#### **65. Appointment of Litigious and Non-Litigious Agent**

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

### **OTHERS**

#### **66. Shareholder Protection Mechanism**

If the Company proposes to undertake:

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

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

#### **67. ROC Securities Laws and Regulations**

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in the ROC, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee which are required to be followed by the Company shall comply with the applicable ROC securities laws and regulations.

#### **68. Social Responsibilities**

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

**Thai Kin Co., Ltd.**  
**Rules of Procedure for Shareholders' Meetings**

- Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for-TWSE/GTSM Listed Companies.
- Article 2. The rules of procedures for the Company's shareholders' meetings, except as otherwise specified by relevant laws, regulations, or the Company's Articles of Incorporation, shall be implemented accordingly.
- Article 3. Unless otherwise specified by the Company's Articles of Incorporation, relevant laws or regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.
- During emerging stock registration or TWSE/GTSM-listing period, shareholders may convene a special shareholders' meeting, provided that the shareholder shall continuously hold 50% or more of the total number of outstanding shares of a company for a period of three months or a longer time. The calculation and determination of the shareholding period and the number of shares held by a shareholder shall be made on the first day of the period during which the transfer of shares is suspended from the registration on the shareholders roster. If the Board of Directors does not or cannot convene a shareholders' meeting (including the annual shareholders' meeting), or due to the involvement of the Company's interests, the Independent Directors may convene a shareholders' meeting when necessary.
- During the emerging stock registration or the period of the Company's shares primarily listed on TWSE/GTSM, the Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors or Supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the annual shareholders' meeting or 15 days before the special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the annual shareholders meeting or 15 days before the special shareholders' meeting. In addition, 15 days before the shareholders' meeting, the Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials and make them available for the shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting venue.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the



meeting notice may be given in an electronic form.

The following matters shall be set out and their main contents shall be explained in the notice of the reasons for convening the shareholders meeting, and none of the matters may be raised by an extempore motion:

- I. Election or dismissal of Directors.
- II. Amendments to the Articles of Incorporation.
- III. Reduction of capital.
- IV. Application for the approval of ceasing the Company as a public company.
- V. (i) the dissolution, merger, or demerger of the Company; (ii) entering into, amending, or terminating any contract for the lease of the Company's business in whole, or for entrusted business, or for regular joint operation with others; (iii) transferring the whole or any essential part of the Company's business or assets; or (iv) acquiring or accepting the transfer of another's whole business or assets, which has great impacts on the business operation of the Company.
- VI. Approval for the Director to act for himself or on behalf of another person that is within the scope of the Company's business.
- VII. Distribution of the surplus earning, in whole or in part, by issuing new shares to increase capital.
- VIII. Distribution of the statutory surplus reserves, the capital reserves arising from the income derived from the issuance of new shares at a premium, and the income from endowments received by the Company by issuing new shares or by cash.
- IX. The Company's issuance or private placement of equity securities.
- X. The Company's issuance of employee stock warrants is not subject to the restriction that the exercise price may not be lower than the closing price of the Company stocks as of the issuing date.
- XI. The Company's application for issuance of new restricted employee shares.

The main contents of the above-mentioned matters may be published on the website designated by the competent securities authorities or the Company, and the web address shall be set forth in the shareholders' meeting convening notice.

The reasons for convening the shareholders' meeting have specified the general re-election of Directors and the date of their appointment. After the completion of the re-election in the shareholders' meeting, the same meeting shall not change the date of appointment by extempore motion or other means.

Shareholders holding one percent or more of the total number of issued shares during the emerging stock registration period or the period of the Company's shares primarily listing on the Taiwan Stock Exchange or on the OTC market may submit the Company a written proposal for discussion at the annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed

at an annual meeting of shareholders by the Board of Directors. Where any of the following circumstances is satisfied, the Board of Directors of the Company shall not include the proposal submitted by a shareholder in the list of proposals to be discussed at a annual meeting of shareholders:

- I. Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer registration is suspended by the Company before the convention of an annual shareholders' meeting;
- II. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders;
- III. Where the said proposal containing more than one matter in a single proposal; and
- IV. Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals.

Prior to the date on which share transfer registration is suspended before the convention of an annual shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) day.

Shareholder-submitted proposals are limited to 300 words, and proposals containing more than 300 words will be not included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of the notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting, the Board of Directors shall explain the reasons for the exclusion of any proposals on the agenda.

Article 4. Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company five days before the shareholders' meeting. When the proxy forms are duplicated, the one received earliest shall prevail. The restriction does not apply to the proxy appointment made before a declaration is canceled.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting. If the cancellation notice is

submitted later than the said time, votes cast at the meeting by the proxy shall prevail.

Article 5. During the emerging stock registration or the period of the Company's shares primarily listed on TWSE/GTSM, the venue for a shareholders' meeting shall be located in Taiwan. The meeting shall begin after 9 a.m. and before 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

Article 6. The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be Chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the Chairperson shall appoint one of the Directors to act as Chair. Where the Chairperson does not make such a designation, the Directors shall select from among themselves one person to serve as Chair.

When a Director serves as the Chair, as referred to in the preceding paragraph, the Director shall be one who has held that position for six months or more and who

understands the financial and business conditions of the Company. The same shall be applied to a representative of a juristic person director that serves as Chair.

It is advisable that shareholders' meetings convened by the Board of Directors be Chaired by the Chairperson of the Board in person and attended by a majority of the Directors, at least one Supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8. Article 8: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote-counting process.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, where a lawsuit is filed for revocation of the resolution of the shareholders' meeting in accordance with laws, regulations, or the Company's Articles of Incorporation, the recording shall be retained until the litigation concludes.

Article 9. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the Chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10. If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors. The Chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

Article 12. Voting at a shareholders' meeting shall be calculated based on the number of shares.

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

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

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

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

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares listed below under Article 179, paragraph 2 of the Company Act:

- I. The share(s) of the Company that are held by the Company itself;
- II. The shares of the Company that are held, directly or indirectly, by its subordinate company, where the total number of voting shares or total shares equity held by the Company in such a subordinate company represents more than one half of the total number of voting shares or the total shares equity of such a subordinate company; or
- III. The shares of the Company that are held by another company, where the total number of voting shares or total shares equity held by the Company, its subordinate company(ies), the holding company of the Company and the subordinate company(ies) of the holding company, directly or indirectly, represents more than one half of the total number of voting shares or the total shares equity of such a company.

When the Company holds a shareholder meeting after the emerging stock registration or the Company is listed on the TWSE/TPEX, it shall allow the shareholders to exercise their voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic

means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, he/she will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting; it is therefore advisable that the Company shall avoid submission of extempore motions and revision to the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the shareholders' meeting. When the declarations of intent are duplicated, the one received earliest shall prevail. The restriction does not apply to the proxy appointment made before a declaration is canceled.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the emerging stock registration or the Company's shares listed on TWSE/GTSM, and after the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be updated to the MOPS.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote-counting has been completed, the results of the voting, including the statistical

tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14. The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept appropriately for a period of at least one year. If, however, a shareholder files a revocation of the resolution of the shareholders' meeting in accordance with laws, regulations, or the Company's Articles of Incorporation, the recording shall be retained until the litigation concludes.

Article 15. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

After the emerging stock registration or the Company's shares listed on TWSE/GTSM, the Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the number of voting rights calculated). When a Director is elected, the number of voting rights of each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

After the emerging stock registration or the Company's shares listed on TWSE/GTSM, if matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under TWSE/TPEX regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.



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

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

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

Article 18. When a meeting is in progress, the Chair may announce a break based on time considerations. If a force majeure event occurs, the Chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with laws, regulations, or the Company's Articles of Incorporation.

Article 19. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 20. This rule is stipulated on February 28, 2017.  
First revised on March 22, 2019.

**Thai Kin Co., Ltd.**

**The Election Procedures of Directors**

1. To ensure a just, fair, and open election of Directors, the Election Procedures (these Procedures) are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies.
2. Except as otherwise provided by laws and regulations or by the Company's Articles of Incorporation, elections of Directors shall be conducted in accordance with these Procedures.
3. The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy includes, without being limited to, the following two general standards:
  - 3.1 Basic requirements and values: Gender, age, nationality, and culture.
  - 3.2 Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
  - 3.3 Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the generally required abilities that must be present in the Board are as follows:
    - 3.3.1 The ability to make judgments about operations.
    - 3.3.2 Accounting and financial analysis ability.
    - 3.3.3 Business management ability.
    - 3.3.4 Crisis management ability.
    - 3.3.5 Knowledge of the industry.
    - 3.3.6 An international market perspective.
    - 3.3.7 Leadership ability.
    - 3.3.8 Decision-making ability.
  - 3.4 More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director. The Board of Directors of the Company shall consider adjusting its composition based on the results of performance assessment.
4.
  - 4.1 The qualifications for the Independent Directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
  - 4.2 The election of Independent Directors of the Company shall comply with

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

5.
  - 5.1 The election of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee Directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference so that qualified Directors and Supervisors will be elected.
  - 5.2 If the dismissal of a Director results in a Board with less than five Directors, the Company shall hold a supplemental election at the next shareholders' meeting. When the number of Directors falls short by one-third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call an extempore shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
  - 5.3 When the number of Independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation Rules Governing the Review of Listings, or subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
6. The cumulative voting method shall be used for the election of the Directors at the Company. Each share will have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or split among multiple candidates.
7. The Board of Directors shall prepare ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be

distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

8. The number of Directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for Independent and non-independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, therefore, exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any absentee.
9. Before the election begins, the Chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
10. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
11. A ballot is invalid under any of the following circumstances:
  - 11.1 The ballot was not prepared by the Board of Directors.
  - 11.2 A blank ballot is placed in the ballot box.
  - 11.3 The writing is unclear and indecipherable or has been altered.
  - 11.4 The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
  - 11.5 Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
  - 11.6 The name of the candidate entered in the ballot is identical to that of

another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such an individual.

12.

12.1 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as Directors and the numbers of votes with which they were elected, shall be announced by the Chair on site.

12.2 The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineer and retained properly for a period of at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

13. The Board of Directors of the Company shall issue notifications to the persons elected as Directors or supervisors.

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

15. The Election Procedures were formulated on February 28, 2017.

**Thai Kin Co., Ltd.****Shareholdings of All Directors**

Base Date: April 19, 2021

Title	Account Number	Number of Shares Held	Remarks
Chairperson	HSU,TA-CHIN	250,385	
Director	Lo,LUNG-SHAN	0	
Director	HSU,CHEN-JUNG	149,293	
Director	HSU,WEN-CHIH	149,293	
Independent Director	WU,CHUNG-FERN	0	
Independent Director	CHANG,AN-TSO	0	
Independent Director	HUANG,PO-CHIA	0	
Total Number of Directors		548,971	

Note:

1. The total number of shares issued by the Company as of April 19, 2021 is 35,612,909 common shares.
2. The company has no application of Article 26 of the Securities Exchange Act.

**Thai Kin Co., Ltd.**  
**Information on Proposals of Shareholders Holding One Percent or More of the  
Total Number of Issued Shares of the Company**

- I. In accordance with the relevant provisions of Article 172-1 and 192-1 of the Company Act, the acceptance of the shareholders' proposal by the 2021 Annual Shareholders' Meeting of the Company is from April 1, 2021, to April 12, 2021.
- II. During the preceding period, there is no proposal of shareholders holding one percent or more of the total number of issued shares of the Company.