



Stock Code : 4966

# **Parade Technologies, Ltd.**

2025 Annual General Meeting of Members

MEETING AGENDA

(Translation)

**June 11, 2025**

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## **I. MEETING PROCEDURES**

**Parade Technologies, Ltd.**

**2025 ANNUAL GENERAL MEETING OF MEMBERS PROCEDURES**

1. Commencement
2. Chairman Remarks
3. Report Items
4. Proposals
5. Discussions
6. Election Items
7. Questions and Motions
8. Meeting Adjourned

## **II. MEETING AGENDA**

Parade Technologies, Ltd.  
2025 ANNUAL GENERAL MEETING of MEMBERS  
MEETING AGENDA  
(Translation)

Meeting Type: Physical shareholders meeting

Time: June 11, 2025, 9:00 a.m., Taipei Local Time

Place: 7F., No.236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan

Attendants: All shareholders or their proxy holders

Chairman: Ji Zhao, Chairman of the Board of Directors

1. Commencement
2. Chairman Remarks
3. Report Items:
  - (1) To report the 2024 business
  - (2) To report the 2024 review report by the Audit Committee
  - (3) To report the implementation of the Share Buyback, Incentive Plan, and Share Retirement Plan in 2024 and 2025
  - (4) To report the allocation of 2024 employees' cash bonuses and the Directors' remuneration
  - (5) To report the distribution of 2024 profit and cash dividend
4. Proposals:
  - (1) To ratify the 2024 business report
  - (2) To adopt the Company's 2024 audited consolidated financial statements
  - (3) To approve the 2024 profit distribution plan
5. Discussions:
  - (1) To approve the amendment of the Company's Amended and Restated Memorandum of Association and Articles of Association
  - (2) To approve the amendment of the Company's Procedures for Lending Funds to Other Parties

6. Election Items:

To re-elect the Directors (Independent Directors inclusive) of the Company's Board of Directors

7. Questions and Motions

8. Meeting Adjourned

## Report Items

1. To report the 2024 business

Explanatory Notes: The 2024 business report is attached hereto as Attachment I.

2. To report the 2024 review report by the Audit Committee

Explanatory Notes: The 2024 review report by the Audit Committee is attached hereto as Attachment II.

3. To report the implementation of the Share Buyback, Incentive Plan, and Share Retirement Plan in 2024 and 2025.

Explanatory Notes:

(1) The results of the Share Buyback, Incentive Plan, and Share Retirement Plan in 2024 and 2025 are as below:

Series	the first repurchase in year 2024	the first repurchase in year 2025	the second repurchase in year 2025
Board resolution date	07/02/2024 (Taiwan Time)	02/05/2025 (Taiwan Time)	02/05/2025 (Taiwan Time)
Purpose of repurchase	Transferring to the employees	Transferring to the employees	Maintaining the Company's credit rating and the shareholder's equity
The set repurchase period	Between 07/03/2024 and 09/02/2024	Between 02/06/2025 and 03/14/2025	Between 03/17/2025 and 04/02/2025
The set repurchase price range (per share)	NT\$ 573 to NT\$ 1,285	NT\$ 495 to NT\$ 1,110	NT\$ 495 to NT\$ 1,110
The set maximum repurchase shares	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks

Series	the first repurchase in year 2024	the first repurchase in year 2025	the second repurchase in year 2025
Accumulated number of shares already repurchased	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks
Value spent on the repurchase	NT\$ 926,309,387	NT\$ 760,343,903	NT\$ 737,299,114
Accumulated number of shares already repurchased to the set maximum repurchase shares (%)	100	100	100
Number of shares transferred and cancelled	0 share	0 share	0 share
Accumulated number of shares already repurchased (Note)	3,584,122 common stocks		
Accumulated percentage of repurchased shares to total number of shares issued (%)	4.42		

Note: As of May 1, 2025

(2) Share Repurchase and Employee Incentive Plan is attached hereto as Attachment V.

4. To report the allocation of 2024 employees' cash bonuses and the Directors' remuneration.

Explanatory Notes:

Considering the "Amended and Restated Memorandum of Association and Articles of Association" and the Company's 2024 annual profits before tax, the Compensation Committee has recommended to the Board of Directors the approval of distribution and payment of NT\$171,419,363 in cash as the employees' bonuses and NT\$51,376,000 in cash as Directors' remuneration, respectively, equivalent to US\$5,338,504 and US\$1,600,000, by adopting foreign exchange rate of



US\$1=NT\$32.11.

5. To report the distribution of 2024 profit and cash dividend.

Explanatory Notes: The distribution of 2024 profit and cash dividend is as below:

Period	Date of the board of directors resolution	NT\$ per share	Total amount (NT\$)
the first half year of 2024	10/30/2024	7.18806219	570,088,023
the second half year of 2024	04/23/2025	8.93 (Note)	724,609,492

Note: The Chairman of the Board of Directors of the Company is authorized to adjust the ultimate cash dividend per share based on the total amount of profits resolved to be distributed. The total amount of fractional cash dividends, which are less than NT\$1, should be calculated into equity of the Company.

## Proposals

1. To ratify the 2024 business report (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2024 business report is attached hereto as Attachment I.
- (2) Please ratify the above-mentioned the 2024 Business Report.

Resolution:

2. To adopt the Company's 2024 audited consolidated financial statements (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2024 consolidated financial statements, including Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, and Consolidated Statements of Cash Flows, have been approved by the Board of Directors, audited by independent auditors, Mr. Lin Kuan-Hung and Ms. Chou Hsiao-Tzu, of PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee, evidenced by the review report issued by the Audit Committee.
- (2) The 2024 independent accountants' audit report and above-mentioned consolidated financial statements are attached hereto as Attachment III.

(3) Please ratify the above-mentioned 2024 audited consolidated financial statements.

Resolution:

3. To approve the 2024 profit distribution plan (Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company's 2024 profits distribution table has been approved by the Board of Directors. The table has been reviewed and evidenced by the report issued by the Audit Committee.

(2) The 2024 Profit Distribution Table is attached hereto as Attachment IV.

(3) Please approve the above-mentioned 2024 Profit Distribution Proposal.

Resolution:

## **Discussions**

1. To approve the amendment of the Company's Amended and Restated Memorandum of Association and Articles of Association (Proposed by the Board of Directors)

Explanatory Notes:

(1) In response to the change in the "Checklist for the Protection of Right of Shareholders in Foreign Issue", certain amendments to the Company's Amended and Restated Memorandum of Association and Articles of Association are recommended.

(2) The comparison table of the amended to the amended and restated articles is attached hereto as Attachment VI.

(3) Please approve the above-mentioned proposal.

Resolution:

2. To approve the amendment of the Company's Procedures for Lending Funds to Other Parties (Proposed by the Board of Directors)

Explanatory Notes:

(1) In response to business needs for the asset purchase acquisition, certain amendments to the Company's "Procedures for Lending Funds to Other Parties" are recommended.

(2) The comparison table of the amended articles is attached hereto as Attachment VII.

(3) Please approve the above-mentioned proposal.

Resolution:

## **Election Items**

To re-elect the Directors (Independent Directors inclusive) of the Company's Board of Directors (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The term of office of the incumbent Directors (Independent Directors inclusive) will expire on October 27, 2025. The Board of Directors proposes to re-elect the seven (7) Directors, including 3 Independent Directors, in the Company's 2025 Annual General Meeting. The successive 7 Directors will serve a three (3) years term starting from October 28, 2025 to October 27, 2028. The term of the incumbent Directors shall expire immediately before the successive Directors assume the position.
- (2) According to Article 102 of the Company Amended and Restated Memorandum of Association and Articles of Association, the Company shall adopt a candidate nomination mechanism for the election of the Directors and the shareholders shall elect the Directors (Independent Directors inclusive) among the candidates nominated in the list of the candidates. The list of the independent Directors candidates, including the candidate's qualification, conditions and other related information, is attached hereto as Attachment VIII.
- (3) Rules for Election of Directors is attached hereto as Appendix III.
- (4) Please re-elect the Directors.

Resolution:

## **Questions and Motions**

## **Meeting Adjourned**

### **III. ATTACHMENTS**

**Parade Technologies, Ltd.  
2024 Business Report**

Dear Shareholders,

The semiconductor industry in our segment recovered in 2024 after the severe inventory correction in the prior one and a half years. Demand for integrated circuits (IC) in personal computer, notebook, and other consumer related electronics increased. It is a clear trend that Artificial Intelligence (AI) will play a significant role in our lives. The success of generative AI demands advances in AI edge computing. As a result, the first AI notebook platform that can achieve 40 TOPS (Trillions of Operations Per Second) debuted in the 2<sup>nd</sup> half of 2024. The new era of AI edge computing on PC or notebook quickly pushes system performance on AI related computation and IO speed. The demand of such AI related opportunities has increased our revenue. On the other hand, we practiced caution on spending during the year, and the overall budget execution met expectations. The revenue and net income were \$505.81 million (NT\$16.25 billion) and \$80.68 million (NT\$2.59 billion) in 2024, respectively.

One of our important achievements in 2024 was that our USB 4.0 (40 Gbps) retimer device penetrated into the 1<sup>st</sup> AI notebook platform. This device quickly became our top revenue-earning device in our high-speed product portfolio in 2024. Our end-to-end USB 4.0 (40Gbps) product solutions, including USB 4.0 (40Gbps) Hub, Mux, Demux, and Redriver, are positioning Parade well for long-term growth.

We expanded the reach of our high-speed technology and devices to AI datacenter applications. We agreed to acquire the majority of the assets of Spectra 7 recently. Spectra 7 is a leading technology company in providing high-speed SiGe BiCMOS devices on ACC cable-related solutions for datacenters. Spectra 7 developed 56Gbps, 64Gbps, 112Gbps and higher SiGe redriver devices. The cable solutions based on Spectra 7 technologies and devices are in mass production. We also designed in our PCIe Gen 4 (16Gbps) and Gen 5 (32Gbps) retimers to datacenter systems during the year. With the addition of Spectra 7 high-speed assets and employee talents, we will be in better position to achieve AI datacenter wins.

In 2024, we advanced our high-speed leadership. We successfully developed our USB 4.2 (80Gbps) retimer technologies and devices on the deep submicron CMOS process node. The advanced USB 4.2 (80Gbps) retimer technology helps us to work with leading AI notebook platforms. We continue to strengthen our positions in HDMI and DisplayPort by providing next generation devices, such as DP2.1 hub and HDMI 2.2 (48Gbps) retimer. We are also developing retimer and redriver technologies to support PCIe Gen 6 (64Gbps) specification. The ultra high-

speed technology requires deep submicron FinFET technology and SiGe BiCMOS technology. We have been working on both fronts to achieve new highs. Our leading high-speed IPs are based on 6nm FinFET node to achieve both high speed and low power. Such high-speed IO technologies help us to engage with Tier 1 customers for system solutions.

Modern automobiles possess Advanced Driver-Assistance Systems (ADAS), advanced displays, and in-car entertainment systems. To achieve such functionalities, high-speed PCIe, HDMI, USB, and DisplayPort along with their converters are required. We successfully designed our auto-grade high-speed devices on the vehicles of leading auto OEMs. We achieved many design wins and continue engaging in design opportunities in the automotive high-speed area. We expect that Parade's solutions will gain broad adoption in the automotive market.

Parade has been well recognized as the leader on embedded DisplayPort (eDP) Tcon in the panel industry. The advanced eDP-Tcon and source Driver devices require high-speed technology on glass, where Parade has unique and proven high-speed solutions. We offer not only robust eDP technology up to 10 Gbps but also our high-speed SIPI technology that provides point-to-point connection between Tcon and Source Driver devices. On the other hand, we recently experienced fierce cost competition based on the traditional panel architecture that employs Tcon and source driver devices. It is clear to us that we need to innovate in efficient architectures to gain market share. We have been working on technologies that integrate Tcon and source driver together to become TED (**T**con-**E**mbodied-**D**river). We expanded TED devices to both high-end and low-end segments. Our customers embraced such solutions. We are experiencing the ramping up of demand of TED devices. We further developed two new architectures to integrate touch function on LCD panels: TTcon (**T**ouch-**T**con) paired with TSD (**T**ouch-**S**ource-**D**river) and tTED (**t**ouch-**T**con-**E**mbodied-**D**river). We have been ramping up production of both TTcon and TSD, and tTED solutions steadily in 2024. We expect mass adoption of our tTED solutions will happen in 2025 and beyond.

Our eDP-Tcon supports not only LCD notebook panels but also new generation panels including AMOLED and mini-LED based notebook and tablet panels. While offering advanced and competitive eDP-Tcon solutions for the general market, we also develop customized eDP-Tcon products for the advanced displays for the leading global brands.

The newer automotives will also contain multiple LCD screens incorporating touch function. The integrated display solutions and tTED technology is on the forefront to support such requirements. We are developing auto-grade tTED products. Our auto-grade tTED device paired with our auto-grade high-speed converter device and DisplayPort hubs becomes ideal for modern auto displays. We are glad to report that we are engaging several automotive OEMs for such system solutions.

Parade's consolidated net income in 2024 was US\$80.68 million (NT\$2.59 billion), an increase of 24.18% from US\$64.97 million (NT\$2.03 billion) in 2023. Earnings per diluted share in 2024 were US\$1.01 (NT\$32.39), an increase of 23.17% from US\$0.82 (NT\$25.55) in 2023. Gross profit margin in 2024 was 42.50% compared to 43.72% in 2023 while operating profit margin was 15.09%, up from 14.25% in the prior year.

We continue to focus on our employees and intellectual property. High-quality engineering talent is critical to our success. We are committed to recruiting and investing in our employees to build up corporate structures and to execute our product roadmap. The employees of Spectra 7 would become our new engineering resource on the ultra high-speed segment after the acquisition closes. We commit to strengthen our corporate social responsibility by engaging an advisory firm to develop our corporate plan. We also have been working with our customers and suppliers to reduce and limit carbon emissions during the product manufacturing cycle. Moreover, we invested heavily to advance our global IT network security and strengthened our IT team capability and capacity to satisfy Tier 1 OEM strict requirements on IT network security.

As of December 31, 2024, Parade has 755 employees, a decrease of 3 employees from 2023. Out of 755 employees, 509 were engaged in research, development, and related engineering. An additional 14 employees from Spectra 7 will join Parade once the acquisition is closed. We hold 295 granted patents and have 23 patent applications pending at the end of the year 2024.

2024 was a recovery year for Parade. We were glad that we came out of the bottom strongly. The generative AI era creates huge opportunities for semiconductor business. We are confident that our leadership, strategy, technologies, and market opportunities will lead to continued growth for our business. We believe Parade is well-positioned to generate favorable results for our shareholders.

We appreciate the support from all of our shareholders!

Jack Zhao  
Chairman  
April 23, 2025

## Audit Committee's Report

The Board of Directors has prepared the Company's 2024 Business Report, consolidated Financial Statements and proposal for allocation of profits. The CPA firm of PricewaterhouseCoopers was retained to audit Parade's consolidated Financial Statements and has issued an audit report relating to the consolidated Financial Statements. The Business Report, consolidated Financial Statements and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Parade Technologies, Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Parade Technologies, Limited.

Chairman of the Audit Committee: Norman Shen



April 23, 2025



### **Attachment III**

#### **REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE**

To the Board of Directors and Shareholders of Parade Technologies, Ltd.

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of Parade Technologies, Ltd. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

#### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Auditing and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Goodwill impairment**

##### Description

Refer to Note 4(14) (impairment of non-financial assets), Note 5(2) (critical accounting estimates and assumptions) and Note 6(6) (intangible assets) of the consolidated financial statements where the goodwill impairment has been discussed.

The Group acquired the mobile touchscreen business and the high-speed business in 2015 and 2020, respectively. The balance of goodwill arising from such acquisitions as at December 31, 2024 was NT\$2,489,729 thousand.

The Group uses 5-year cash flow forecasts to determine the recovery amount of goodwill; however, the measurement results mainly depend on management's assumptions, including the discount rate and the estimated growth rate used, which are subject to management's judgements and having considerable uncertainty. Therefore, the goodwill impairment assessment is a key audit matter this year.

#### How our audit addressed the matter

Our procedures in relation to the key audit matter included:

1. Evaluated the rationality of the evaluation model using the nature of the Group.
2. We confirmed that the future cash flow used in the evaluation model is consistent with the next 5-year budget provided by the Group, and assessed the budget achievement in previous years.
3. We assessed the appropriateness of key assumptions used, such as gross profit margin, growth rate and discount rate.

#### **Inventory impairment losses**

##### Description

Refer to Note 4(10) (inventories), Note 5(2) (critical accounting estimates and assumptions) and Note 6(3) (inventories) of the consolidated financial statements where the inventory impairment losses has been discussed.

Inventories and allowance for inventory valuation losses as at December 31, 2024 was NT\$4,656,534 thousand and NT\$673,865 thousand, respectively. The rapid changes in the technology of the industries in which the Group is involved and the net realizable value used in the evaluation of obsolete inventories often involve subjective judgements and therefore highly uncertain estimates. Inventories are measured at the lower of cost and net realizable value. The impact of inventories and its allowance for diminution in value has a significant impact on the financial statements. Therefore, the loss on inventories and allowances assessment is a key audit matter this year.

#### How our audit addressed the matter

Our procedures in relation to the key audit matter included:

1. Discussed with management to determine whether the provision policy and procedure of allowance for inventory valuation loss is consistently applied for the comparative periods in the financial statements.

2. Understood the Group's inventory control procedures and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Verified the appropriateness of the logic for evaluating the inventory aging report to confirm that the report information is consistent with the Company's policies.
4. Reviewed the historical information of inventories, supplemented by inspecting the amount of provision after the reference period, and then assessed the reasonableness of the loss provision.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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Lin, Kuan-Hung

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Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2025

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

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 10,531,902	40	\$ 8,487,601	36
1170	Accounts receivable, net	6(2)	1,564,455	6	1,661,511	7
130X	Inventories, net	6(3)	3,982,669	15	3,773,792	16
1470	Other current assets		644,156	3	596,344	3
11XX	<b>Total current assets</b>		<u>16,723,182</u>	<u>64</u>	<u>14,519,248</u>	<u>62</u>
<b>Non-current assets</b>						
1600	Property, plant and equipment, net	6(4)	348,491	1	392,101	2
1755	Right-of-use assets	6(5)	323,076	1	258,252	1
1780	Intangible assets	6(6)	3,385,159	13	3,025,792	13
1840	Deferred income tax assets	6(18)	395,788	2	390,134	2
1900	Other non-current assets	6(7)	5,028,915	19	4,783,027	20
15XX	<b>Total non-current assets</b>		<u>9,481,429</u>	<u>36</u>	<u>8,849,306</u>	<u>38</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 26,204,611</u>	<u>100</u>	<u>\$ 23,368,554</u>	<u>100</u>

(Continued)



PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2170	Accounts payable		\$ 1,321,038	5	\$ 1,567,047	7
2200	Other payables	6(8)	1,641,273	6	1,374,728	6
2230	Current income tax liabilities	6(18)	364,626	1	350,551	1
2280	Lease liabilities - current	6(5)	125,574	1	99,534	-
2300	Other current liabilities		193,449	1	217,468	1
21XX	<b>Total current liabilities</b>		<u>3,645,960</u>	<u>14</u>	<u>3,609,328</u>	<u>15</u>
<b>Non-current liabilities</b>						
2580	Lease liabilities - non-current	6(5)	197,502	1	158,718	1
25XX	<b>Non-current liabilities</b>		<u>197,502</u>	<u>1</u>	<u>158,718</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>3,843,462</u>	<u>15</u>	<u>3,768,046</u>	<u>16</u>
Equity attributable to owners of the Company						
Share capital						
		6(11)				
3110	Ordinary shares		811,601	3	811,636	4
Capital reserves						
		6(12)				
3200	Capital surplus		4,169,642	16	4,158,670	18
Retained earnings						
		6(13)				
3310	Legal reserve		1,011,400	4	1,011,400	4
3320	Special reserve		8,324	-	8,324	-
3350	Unappropriated earnings		15,979,468	61	14,581,792	62
Other equity						
3400	Other equity		1,892,540	7	422,135	2
3500	Treasury shares	6(11)	( 1,511,826)	( 6)	( 1,393,449)	( 6)
31XX	<b>Equity attributable to owners of the Company</b>		<u>22,361,149</u>	<u>85</u>	<u>19,600,508</u>	<u>84</u>
3XXX	<b>Total equity</b>		<u>22,361,149</u>	<u>85</u>	<u>19,600,508</u>	<u>84</u>
Significant events after the balance sheet date		11				
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 26,204,611</u>	<u>100</u>	<u>\$ 23,368,554</u>	<u>100</u>

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2024		2023	
			Amount	%	Amount	%
4000	Revenue	6(14)	\$ 16,245,645	100	\$ 13,769,072	100
5000	Cost of goods sold	6(3)(16)(17)	( 9,342,425)	( 58)	( 7,749,660)	( 56)
5900	Gross profit		6,903,220	42	6,019,412	44
	Operating expenses	6(16)(17) and 7				
6100	Sales and marketing expenses		( 913,994)	( 5)	( 885,740)	( 7)
6200	General and administrative expenses		( 623,672)	( 4)	( 580,273)	( 4)
6300	Research and development expenses		( 2,913,474)	( 18)	( 2,586,872)	( 19)
6000	Total operating expenses		( 4,451,140)	( 27)	( 4,052,885)	( 30)
6900	Operating income		2,452,080	15	1,966,527	14
	Non-operating income and expenses					
7100	Interest income		348,613	2	223,099	2
7010	Other income		7,739	-	6,154	-
7020	Other gains and losses	6(15)	( 1,271)	-	28,194	-
7000	Total non-operating income and expenses		355,081	2	257,447	2
7900	<b>Income before income tax</b>		2,807,161	17	2,223,974	16
7950	Income tax expense	6(18)	( 215,038)	( 1)	( 190,840)	( 1)
8000	<b>Net income for the year from continuing operations</b>		2,592,123	16	2,033,134	15
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8361	Other comprehensive income (loss), before tax, exchange differences on translation		1,367,506	8	( 47,271)	( 1)
8360	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		1,367,506	8	( 47,271)	( 1)
8300	<b>Other comprehensive income (loss) for the year</b>		\$ 1,367,506	8	(\$ 47,271)	( 1)
8500	<b>Total comprehensive income for the year</b>		\$ 3,959,629	24	\$ 1,985,863	14
	Net income attributable to:					
8610	Owners of the Company		\$ 2,592,123	16	\$ 2,033,134	15
	Comprehensive income attributable to:					
8710	Owners of the Company		\$ 3,959,629	24	\$ 1,985,863	14
	Earnings per share					
9750	Basic earnings per share	6(19)	\$ 32.55		\$ 25.73	
9850	Diluted earnings per share	6(19)	\$ 32.39		\$ 25.55	

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
		Capital Reserves				Retained Earnings			Other Equity				
Notes	Ordinary shares	Paid-in capital in excess of ordinary shares	Capital reserve from employee stock options	Capital reserve from restricted stocks	Capital reserve - others	Legal reserve	Special reserve	Unappropriated earnings	Currency translation differences of foreign operations	Unearned compensation	Treasury shares	Total Equity	
<b>Year 2023</b>													
	\$	811,913	\$ 3,491,594	\$ 38,126	\$ 540,650	\$ 122,551	\$ 1,011,400	\$ 122,461	\$ 13,537,528	\$ 579,156	(\$ 370,660 )	(\$ 2,153,610 )	\$ 17,731,109
		-	-	-	-	-	-	2,033,134	-	-	-	2,033,134	
		-	-	-	-	-	-	-	( 47,271 )	-	-	( 47,271 )	
		-	-	-	-	-	-	2,033,134	( 47,271 )	-	-	1,985,863	
		-	-	( 38,126 )	-	38,126	-	-	-	-	-	-	
6(10)(11)		-	298,770	-	( 298,770 )	-	-	-	-	-	-	-	
		-	-	-	( 21,448 )	-	-	-	-	21,448	-	-	
6(11)		( 277 )	1,679	-	277	-	-	2,380	-	-	-	4,059	
6(10)(17)		-	( 50,809 )	-	-	-	-	-	-	239,462	-	188,653	
		-	-	-	-	36,050	-	-	-	-	-	36,050	
6(10)(11)		-	-	-	-	-	-	-	-	-	760,161	760,161	
		-	-	-	-	-	( 114,137 )	114,137	-	-	-	-	
		-	-	-	-	-	-	( 1,105,387 )	-	-	-	( 1,105,387 )	
	\$	<u>811,636</u>	<u>\$ 3,741,234</u>	<u>\$ -</u>	<u>\$ 220,709</u>	<u>\$ 196,727</u>	<u>\$ 1,011,400</u>	<u>\$ 8,324</u>	<u>\$ 14,581,792</u>	<u>\$ 531,885</u>	<u>(\$ 109,750 )</u>	<u>(\$ 1,393,449 )</u>	<u>\$ 19,600,508</u>
<b>Year 2024</b>													
	\$	811,636	\$ 3,741,234	\$ -	\$ 220,709	\$ 196,727	\$ 1,011,400	\$ 8,324	\$ 14,581,792	\$ 531,885	(\$ 109,750 )	(\$ 1,393,449 )	\$ 19,600,508
		-	-	-	-	-	-	2,592,123	-	-	-	2,592,123	
		-	-	-	-	-	-	-	1,367,506	-	-	1,367,506	
		-	-	-	-	-	-	2,592,123	1,367,506	-	-	3,959,629	
6(10)(11)		-	196,877	-	( 196,877 )	-	-	-	-	-	-	-	
		-	-	-	( 3,335 )	-	-	-	-	3,335	-	-	
6(11)		( 35 )	1,742	-	35	-	-	330	-	-	-	2,072	
6(10)(17)		-	9,055	-	-	-	-	-	-	99,564	-	108,619	
		-	-	-	-	3,475	-	-	-	-	-	3,475	
		-	-	-	-	-	-	-	-	-	( 926,309 )	( 926,309 )	
6(10)(11)		-	-	-	-	-	-	-	-	-	807,932	807,932	
		-	-	-	-	-	-	( 1,194,777 )	-	-	-	( 1,194,777 )	
	\$	<u>811,601</u>	<u>\$ 3,948,908</u>	<u>\$ -</u>	<u>\$ 20,532</u>	<u>\$ 200,202</u>	<u>\$ 1,011,400</u>	<u>\$ 8,324</u>	<u>\$ 15,979,468</u>	<u>\$ 1,899,391</u>	<u>(\$ 6,851 )</u>	<u>(\$ 1,511,826 )</u>	<u>\$ 22,361,149</u>

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Income before income tax for the year		\$ 2,807,161	\$ 2,223,974
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including the right-of-use assets)	6(4)(5)	329,583	337,259
Amortization	6(6)	379,615	342,562
Loss on disposal of equipment	6(4)	736	-
Loss on disposal of intangible assets	6(6)	11,444	8,191
Share-based compensation cost	6(10)(17)	908,244	1,029,044
Interest income		( 348,613 )	( 223,099 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		209,591	( 595,648 )
Inventories		46,723	694,295
Other current assets		( 809,135 )	( 815,386 )
Changes in operating liabilities			
Accounts payable		( 352,146 )	1,167,739
Other payables		20,691	( 261,819 )
Other current liabilities		( 38,749 )	( 196,314 )
Cash inflow generated from operations		3,165,145	3,710,798
Interest received		348,613	223,099
Income tax paid		( 195,899 )	( 229,410 )
Net cash flows from operating activities		<u>3,317,859</u>	<u>3,704,487</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment	6(4)	( 140,059 )	( 127,044 )
Acquisition of intangible assets	6(6)	( 12,106 )	( 16,342 )
Decrease in refundable deposits	6(7)	148,979	235,551
Increase in other prepayments		( 602,670 )	( 454,827 )
Net cash flows used in investing activities		<u>( 605,856 )</u>	<u>( 362,662 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Cash dividends paid	6(13)	( 1,015,560 )	( 2,439,014 )
Repayment of the principal portion of lease liabilities	6(5)(21)	( 129,164 )	( 106,693 )
Treasury shares reissued to employees	6(10)	807,932	760,161
Purchase of treasury shares	6(11)	( 926,309 )	-
Cash dividend recovered from cancellation of share-based compensation		2,072	4,059
Net cash flows used in financing activities		<u>( 1,261,029 )</u>	<u>( 1,781,487 )</u>
Effect of exchange rate changes		593,327	( 48,121 )
Net increase in cash and cash equivalents		2,044,301	1,512,217
Cash and cash equivalents at beginning of year		8,487,601	6,975,384
Cash and cash equivalents at end of year		<u>\$ 10,531,902</u>	<u>\$ 8,487,601</u>

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

## Attachment IV



Parade Technologies, Ltd.

盈餘分配表 (Proposal of Profit Distribution)

民國一百一十三年十二月三十一日 (December 31, 2024)

項目 (Description)		NT\$		US\$	
		小計 (Subtotal)	合計 (Total)	小計 (Subtotal)	合計 (Total)
民國一百一十三年年度稅後淨利(註)	FY 2024 Net Income (Note)	2,592,123,183	2,592,123,183	80,677,144	80,677,144
減:	subtract:				
提列10%法定盈餘公積	10% legal reserve	-	-	-	-
提列特別盈餘公積 - 上半年度	Special reserve - 1st Half				
提列特別盈餘公積 - 下半年度	Special reserve - 2nd Half				
民國一百一十三年年度可供分配盈餘	Retained Earnings in 2024 Available for Distribution		2,592,123,183		80,677,144
加:	Plus:				
以前年度未分配盈餘	Unappropriated Retained Earnings of Previous Years	13,945,976,721		466,050,995	
至一百一十三年年底可分配盈餘	Retained Earnings Available for Distribution as of 12/31/2024		16,538,099,904		546,728,139
分配項目:	Distribution Items:				
普通股股東紅利-現金(每股 7.02元) - 上半年度	- 1st Half, Cash dividends to ordinary shareholders (NT\$7.02 per share)	570,088,023		17,895,605	
普通股股東紅利-現金(每股 8.93元) - 下半年度	- 2nd Half, Cash dividends to ordinary shareholders (NT\$8.93 per share)	724,609,492		22,442,966	
普通股股東紅利-股票(每股 0元)	- Stock dividends to ordinary shareholders (NT\$0 per share)	-		-	
分配項目合計	Subtotal	1,294,697,515		40,338,571	
期末未分配盈餘	Unappropriated Retained Earnings		15,243,402,389		506,389,568

Chairman: Ji Zhao



President: Ming Qu



VP of Finance and Accounting: Kuowei Wu



**Parade Technologies, Ltd.**

**2025 Share Buyback and Employee Incentive Plan**

Article 1. In order to motivate employees and enhance their centripetal force, the Company hereby establishes this 2025 Share Buyback and Employee Incentive Plan (this “**Plan**”) pursuant to subparagraph 1 of paragraph 1 of Article 28-2 of Securities and Exchange Act, Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies by Financial Supervisory Commission and other related statutes, regulations and orders. Unless otherwise provided in the applicable laws, the repurchase of the shares and the subsequent transfer thereof to the employees shall be conducted pursuant to this Plan.

(Class, Substance and Limitation of Rights of Shares)

Article 2. The shares (the “**Shares**”) to be transferred to the employees are ordinary shares. Unless provided otherwise in the Applicable Laws or this Plan, Shares bear the same rights and obligations as other Company’s outstanding ordinary shares.

(Transfer Period)

Article 3. The Company may transfer the Shares, in whole or in tranches, to the employees within five years commencing from the date of repurchase in accordance with this Plan.

(Qualifications of the Transferee)

Article 4. The full-time employees (i) (x) of the Company or (y) of any domestic or foreign company in which more than 50% of its total number of voting shares are directly or indirectly held by the Company and (ii) (x) who have been employed for one year or more from the record date of subscription, or (y) who have special achievements and are approved by the Board of Directors (individually and collectively referred to as the “**Qualified Employees**”) are eligible to subscribe the Shares up to the number provided in Article 5 of this Plan. For the avoidance of doubt, the full-time employees include the officers.

(Procedure for Transfer)

Article 5. Number of shares to be subscribed by Qualified Employees: *The Board of Directors shall decide the applicable subscription qualification and number of Shares to be subscribed by considering factors, such as the Qualified Employees' title, seniority or special achievements to the Company, including the above mentioned subsidiary of the Company, together with the number of treasury shares held by the Company as of the record date of subscription and the maximum number of Shares subscribable that can be subscribed by an individual employee, etc., and the Chairman shall not be authorized to decide.* In the event the intended Qualified Employee transferee is an officer of the Company, the list shall be first submitted to the compensation committee of the Company for approval and recommendation to the Board of Directors for affirmation and final approval; while in the event the intended Qualified Employee transferee is not an officer of the Company, the list shall be first submitted to the audit committee of the Company for approval and recommendation to the Board of Directors for affirmation and final approval. In the event the intended Qualified Employee transferee is an employee of the subsidiary, considering that the subsidiary does not establish a compensation committee, regardless of the position held by the intended Qualified Employee transferee in the subsidiary, in the event the intended transferee also acts as an officer of the Company, the list shall be first submitted to the compensation committee of the Company for approval and recommendation to the Board of Directors for affirmation and final approval; while in the event the intended transferee does not act as an officer of the Company, the list shall be first submitted to the audit committee of the Company for approval and recommendation to the Board of Directors for affirmation and final approval.

Article 6. Procedure for Transfer:

- (1) The Company shall make announcement and report and repurchase the Shares within the execution period in accordance with the resolution of Board of Directors,
- (2) According to this Plan, the Board of Directors shall decide and announce the record date of subscription, the criteria for determining the number of Shares to be

subscribed, the subscription and payment period, the rights and limitations of Shares, etc..

- (3) The Company shall calculate the number of Shares actually subscribed and paid for. Then the Company shall transfer those Shares and register such transfer.

(Transfer Price per Share)

Article 7. The transfer price of the Shares equals to the average of the actual share repurchase price. If the number of the Company's issued ordinary shares increases or decreases prior to transfer, that transfer price shall be adjusted proportionately. *(Note: If, according to the Company's charter, the transfer price is lower than the average actual share repurchase price, the transfer price shall be approved, prior to transfer, by a resolution of a shareholder meeting adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. The notice to convene that shareholder meeting of shareholders should itemize the matters listed in section 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.)*

Adjustment formula of the transfer price:

adjusted Exercise Price = (Exercise Price before adjustment × number of issued and outstanding Shares + subscription price per new Share × number of new Shares) / (number of issued and outstanding Shares + number of new Shares)

(Rights and Obligations of Shares after Transfer)

Article 8. After Shares have been transferred to Qualified Employees and such transfer has been registered, unless provided otherwise, the rights and obligations shall be identical with those originally attached to those shares.

(Other Matters With Respect To the Rights and Obligations Between The Company And Qualified Employees)

Article 9. *Subject to Securities and Exchange Act, Company Act and other Applicable Laws, the Company may consider to reach an agreement for matters with respect to the rights and*



*obligations between the Company and Qualified Employees*

(Miscellaneous)

Article 10. This Plan shall take effect after being affirmatively resolved by the Board of Directors and may be amended by a resolution of the Board of Directors.

Article 11. The enactment and any amendment of this Plan shall be reported to the shareholder meeting.

**Comparison Table of Amendments to  
the Amended and Restated Memorandum of Association and Articles of Association**

Proposed Amendments	Current Provisions	Reason of Amendment
<p>33. For so long as the Shares are listed on the TPEX or the TSE, the Company shall send materials relating to the matters to be discussed in the meetings together with the notice, in accordance with Article 29 and Article 30 hereof, and shall transmit the same via the Market Observation Post System. 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 used for the exercise of voting power together with the above mentioned materials. The Company shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one (21) days prior to the annual general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such meeting. However, in the case of the Company's paid-in capital reached NT\$2 billion or more as of the last day of the most recent</p>	<p>33. For so long as the Shares are listed on the TPEX or the TSE, the Company shall send materials relating to the matters to be discussed in the meetings together with the notice, in accordance with Article 29 and Article 30 hereof, and shall transmit the same via the Market Observation Post System. 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 used for the exercise of voting power together with the above mentioned materials. The Company shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one (21) days prior to the annual general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such meeting. However, in the case of the Company's paid-in capital reached NT\$10 billion or more as of the last day of the most recent</p>	<p>Amendment made in response to the latest amendment of Checklist for Protecting Shareholders of Foreign Issuer, and the requirement of Taipei Exchange.</p>

Proposed Amendments	Current Provisions	Reason of Amendment
<p>fiscal year, or the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the Register of Members at the time of holding of the annual general meeting in the most recent fiscal year, the Company shall upload the preceding electronic files thirty (30) days prior to such meeting, in the case of the annual general meeting.</p>	<p>fiscal year, or the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the Register of Members at the time of holding of the annual general meeting in the most recent fiscal year, the Company shall upload the preceding electronic files thirty (30) days prior to such meeting, in the case of the annual general meeting.</p>	
<p>108-1. Without limiting the availability of applicable remedies under Cayman Islands law, and only to the extent ROC law permits, in case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of Applicable Laws and regulations and/or Articles, the Member(s) who has been individually, or have been collectively, continuously holding 1% or more of the total number of the issued shares of the Company over six (6) months may, in his/her/its name, launch a litigation against such Director and the Taipei District Court shall have the exclusive jurisdiction on such litigation.</p>	<p>108-1. Without limiting the availability of applicable remedies under Cayman Islands law, and only to the extent ROC law permits, in case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of Applicable Laws and regulations and/or Articles, the Member(s) who has been individually, or have been collectively, continuously holding 1% or more of the total number of the issued shares of the Company over six (6) months may, in his/her/its name, launch a litigation against such Director and the Taipei District Court shall have the exclusive jurisdiction on such litigation.</p>	<p>Amendment made in a necessary editorial revision in the Chinese articles, with no corresponding amendment in the English articles.</p>

## Comparison Table of Amendments to Procedures for Lending Funds to Other Parties

Proposed Amendments	Current Provisions	Reason of Amendment
<p>Article 5</p> <p>1. Total Amount of Loaning Funds</p> <p>The total amount of loaning funds should not exceed 20% of the Company's net worth as stated in its latest financial statement.</p> <p>2. Amount of Loaning Funds to Each Single Party</p> <p>For loaning funds deriving from the business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company.</p> <p>For loaning funds deriving from the short-term financing needs, the amount provided to any single party shall not exceed 10% of the Company's net worth as stated in its latest financial statement and shall not exceed 20% of the party's net worth.</p> <p><u>For loaning funds deriving from the asset purchase deal to the seller(s), the amount provided to any single party shall not exceed 10% of the Company's net</u></p>	<p>Article 5</p> <p>1. Total Amount of Loaning Funds</p> <p>The total amount of loaning funds should not exceed 20% of the Company's net worth as stated in its latest financial statement.</p> <p>2. Amount of Loaning Funds to Each Single Party</p> <p>For loaning funds deriving from the business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company.</p> <p>For loaning funds deriving from the short-term financing needs, the amount provided to any single party shall not exceed 10% of the Company's net worth as stated in its latest financial statement and shall not exceed 20% of the party's net worth.</p>	<p>Amendment made in response to business needs for the asset purchase acquisition</p>

Proposed Amendments	Current Provisions	Reason of Amendment
<u>worth as stated in its latest financial statement and shall not exceed 20% of the party's net value of the acquired assets and assumed liabilities.</u>		

**LIST OF DIRECTOR (INDEPENDENT DIRECTOR INCLUSIVE) CANDIDATES**

	<b>Title</b>	<b>Name</b>	<b>Holding Shares (Note 1)</b>	<b>Education, Professional Qualifications &amp; Recognitions</b>	<b>Major Past Positions</b>	<b>Current Positions</b>	<b>Served as an Independent Director for three consecutive terms</b>
1	Director	Ji Zhao	1,805,680	EE PhD of University of California Irvine	VP of Engineering at Cerdelinx Technologies President of Parade (US)	CEO & Chairman of Parade (US) Chairman of Parade (SH) Chairman of Parade (NJ) Chairman of Parade (KR) Chairman of Parade (CQ) Director of Pinchot Ltd.	N/A
2	Director	Ming Qu	1,780,985	EE PhD of Texas A&M University	CTO at Cerdelinx Technologies	President of Parade President & Executive Vice President of Engineering of Parade (US) Director of Parade (SH) Director of Parade (NJ) Director of Parade (CQ) President of Parade (CQ) Director of Pinchot Ltd.	N/A
3	Director	Ta-Lun Huang	347,007	MBA of University of Michigan, Ann Arbor Bachelor degree of National Chiao Tung University of Science and Technology	Partner of AsiaVest Partners	Chairman and Head of Strategy Development Office of GCS Holdings, Inc. Representative of Corporate Director of GCS Device Technologies, Co., Ltd. Director of Shanghai Galasemi Co., Ltd. Independent Director of Systex Corp.	N/A

	<b>Title</b>	<b>Name</b>	<b>Holding Shares (Note 1)</b>	<b>Education, Professional Qualifications &amp; Recognitions</b>	<b>Major Past Positions</b>	<b>Current Positions</b>	<b>Served as an Independent Director for three consecutive terms</b>
4	Director	Jung Kung Yang	171,155	MBA of University of Missouri-Columbia	Senior Vice President at UMC Capital	<p>Managing Director of Translink Capital</p> <p>Director of Parade (SH)</p> <p>Director of Reed Semiconductor Corporation</p> <p>Director of Point Robotics Medtech Inc.</p> <p>Director of XConn Technologies Holdings, Ltd.</p> <p>Supervisor of NuVolta Technologies (Hefei) Co., Ltd.</p> <p>Director of Shenzhen Immotor Technology Co. Ltd.</p> <p>Director of GrandTech C.G. Systems Inc.</p> <p>Director of DCard Holdings Ltd.</p> <p>Director of Pakal Technologies, Inc.</p> <p>Director of Axonne, Inc.</p> <p>Director of UBiAi International (Cayman) Limited</p> <p>Director of LIONSBOT INTERNATIONAL PTE. LTD.</p> <p>Director of ATV Capital Management Ltd.</p>	N/A
5	Independent Director	Dennis Lynn Segers	54,004	BSEE of Texas A&M University	<p>CEO of Tabula, Inc.</p> <p>Director, CEO and president of Matrix Semiconductor</p> <p>Chairman of the Board, Senior VP of Xilinx, Inc.</p> <p>Director &amp; Chairman-Emerging Company CEO Council at Global Semiconductor Alliance</p>	<p>Director of Flip Electronics</p> <p>Director of Kinara, Inc.</p> <p>Chairman of QuantumScape</p>	Yes (Note 2)

	<b>Title</b>	<b>Name</b>	<b>Holding Shares (Note 1)</b>	<b>Education, Professional Qualifications &amp; Recognitions</b>	<b>Major Past Positions</b>	<b>Current Positions</b>	<b>Served as an Independent Director for three consecutive terms</b>
6	Independent Director	Huei-Chu Huang	0	MBA of University of Missouri, USA Bachelor of Business Administration of Fu Jen Catholic University	Managing Director, Country Team Head, Ultra High Net Worth Taiwan of UBS AG Managing Director of Investments of Merrill Lynch (Asia Pacific) Ltd., Hong Kong Managing Director, Head of Taiwan Investment Banking of China Development Financial Holding Cor., Taiwan	Independent Director of VisEra Technology Co., Ltd. Taiwan Independent Director of Sino Horizon Holdings Limited Independent Director of Polytronics Technology Corp.	NO
7	Independent Director	Shu-Yu Lee	0	MBA of National Chengchi University Bachelor of Accounting of National Chengchi University	Corporate Director Representative of Aethertek Tech. Sales Vice President of Mega Securities Co., Ltd. Sales Vice President of Fubon Securities Co., Ltd.	COO of FULAGAI Capital Co., Ltd. Independent Director of Pegavision Corporation Corporate Director Representative of BASO Precision Optics Ltd.	NO

Note 1: Shares as of April 13, 2025

Note 2: Reason of continuing to nominate candidates who have served consecutively as independent directors for three consecutive terms as independent directors of the Company: Mr. Dennis Lynn Segers is a Director of Flip Electronics, a Director of Kinara, Inc., and the Chairman of QuantumScape. Before serving such position, Mr. Dennis Lynn Segers was the chairman of Xilinx, Inc., a Director, CEO and President of Tabula, Inc., CEO of Matrix Semiconductor, and an adjunct lecturer at Santa Clara University, where he taught managerial accounting related courses. Mr. Segers is experienced in semiconductor and international information technology business. Mr. Dennis Lynn Segers has been in Silicon Valley for years, even decades. Given such, Mr. Dennis Lynn Segers has a large circle of friends and acquaintances engaged in semi-conductor industry and is able to experience and observe the development in this industry timely and personally. During his term as the independent director, Mr. Segers has provided various advices and different views, which is of help to the company's growth and critical management decision. The Company needs his observation and insights to advise and guide Parade's future direction. The Board believes he continues to possess the requisite independence and his continuous services will not compromise his ability to exercise impartial judgment or act.



## **IV. APPENDIX**

**Parade Technologies, Ltd.**

**Rules and Procedures of General Meeting**

Adopted by Ordinary Resolution passed on June 15, 2022

**Article 1**

Unless applicable laws and regulations or the Company's Articles of Association provide otherwise, the Company's General Meeting (the "Meeting") shall be conducted in accordance with the Rules and Procedures of General Meetings (the "Rules and Procedures"). Except as otherwise expressly defined herein, all capitalization terms used herein shall have the meanings ascribed thereto in the Company's Articles of Association.

**Article 2**

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. In case the Chairman of the Board of Directors is on leave or for any reason is unable to exercise his powers, the Vice Chairman shall do so in place of the powers and authorities of the Chairman. If the Vice Chairman is also on leave or for any reason is unable to exercise his powers for any cause, the Chairman shall appoint a Director to act on his behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.

If the Meeting is convened by any person other than the Board of Directors entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. However, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

**Article 3**

The Company shall specify the time and location for the shareholders', the proxy solicitors', and the proxy agents' (the "Members") attendance registration and other guidelines for the Meeting in the Company's meeting notice.

The Company shall start to process the Members' attendance registration at least 30 minutes before the Meeting starts. The registration desk shall be clearly signed and there shall be sufficient capable personnel at the registration desk to process the registration by the Members. In terms of Virtual Meeting or hybrid meeting, the Company shall start to process the Members' attendance registration on the platform of the Communication Facilities for Virtual Meeting or hybrid meeting at least 30 minutes before the Meeting starts, and the Members who complete the registration process shall be deemed as presence in person at the Meeting.

Members attending the Meeting shall submit attendance card, sign-in card or other certificate of attendance issued by the Company for verification to attend the Meeting. The proxy solicitor shall further provide ID document for verification.

The Company shall prepare an attendance book for Members to sign in, or the Member present may hand in an attendance card in lieu of signing on the attendance book. The attendance of the Members in the Meeting shall be calculated based on number of shares held or represented by such Members. The number of shares represented by Members attending the Meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards submitted by the Members, those registered on the platform of the Communication Facilities for Virtual Meeting or the hybrid meeting, and those being voted by way of written ballots or by way of electronic transmission.

The Company shall prepare and send agenda handbooks, annual report, attendance card and voting card for the meeting and the relevant materials, which will be sent to or made available to the attending Members in accordance with the applicable laws and the Articles of Association of the Company. In the event of a Meeting at which the agenda of election of directors is proposed, a printed ballot shall also be sent to the Members as well.

Any government or corporation which is a Member of the Company may designate more than one person as its representatives to attend the Meeting; provided, however, that only one person is entitled to vote and exercise the rights of such Member.

On the day of the Meeting, the Company shall compile a statistical statement of the number of shares obtained by the proxy solicitor through solicitation, the number of shares represented by the proxy agent, and the number of shares being voted by way of written ballots or by way of electronic transmission, and shall make an express disclosure of the same at the site of the Meeting. When the Meeting is held by means of Virtual meeting or hybrid meeting, the Company shall upload the information stated above to the platform of the Communication Facilities for Virtual Meeting or hybrid meeting at least 30 minutes before the Meeting starts, and continue to disclose until the end of the Meeting. When the Meeting is held by means of Virtual Meeting or hybrid meeting, the Company shall disclose the total number of Shares represented by the Members present in the Meeting on the platform of the Communication Facilities for Virtual Meeting or hybrid meeting in the beginning of the Meeting. If any other statistical statements of the total number of shares represented by the Members present in the Meeting or the number of votes carried by such shares is made in the meeting, such statistical statements shall also be disclosed.

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If, upon the time appointed for the Meeting a quorum is not present, the chairman may postpone the Meeting for two times at most and for up to one hour in total with the same quorum requirements as the Meeting originally convened. If after

two postponements the number of shares represented by the attending Members has not yet constituted the quorum required for such Meeting, the chairman of the Meeting shall dissolve the Meeting or adjourn the Meeting to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within an hour from the time appointed for the meeting, the chairman of the general meeting shall dissolve the meeting. When the Meeting is held by means of Virtual Meeting or hybrid meeting, the Company shall dissolve the Meeting on the platform of the Communication Facilities for Virtual Meeting or hybrid meeting.

#### **Article 4**

The Meeting shall be held in the ROC. The time for commencing the said Meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock local time in the afternoon.

The Meeting held by means of Virtual Meeting may be exempted from the above location requirement.

#### **Article 5**

The Company may designate its lawyer, certified public accountant or other relevant persons to attend the Meeting.

Persons handling affairs of the Meeting shall wear an identification card or badge.

#### **Article 6**

Unless otherwise specified in applicable laws or in the Articles of Association of the Company, a resolution shall be adopted by an Ordinary Resolution.

At any Meeting resolutions put to the vote of the Meeting shall be decided on a poll. The counting of votes shall be conducted in public in the place of the Meeting. The number or proportion of the votes in favor of, or against, that resolution and result of the voting (including the number of vote counted) should be announced after vote counting at the Meeting and shall be recorded in the minutes of the Meeting.

When the Company holds the Meeting by means of Virtual Meeting or hybrid meeting, after the chairman announces the commencement of the Meeting, the Member who attends or participates by means of Communications Facilities shall vote, including electing, on the platform of the Communication Facilities for the Virtual Meeting or the hybrid meeting by the deadline of voting announced by the chairman; otherwise, the Member shall be deemed to abstain from voting his/her/its shares.

When the Meeting is held by means of Virtual Meeting or hybrid meeting, after the chairman announces the end of the voting, the Company shall count the votes at one time and then announces the result of voting, including the results of the election.

If there shall be an amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further resolution is necessary.

Where there is a proposal for election of directors in a Meeting, such election shall be conducted in accordance with the Rules for Election of Directors, and the results of the election, including the list of directors elected and the votes casted on each of the directors elected, should be announced by the chairman at the Meeting. The ballots for the election shall be sealed up and signed by the person(s) supervising the election, and retained for at least one year. If litigation occurs regarding any election resolved by the Members before the above retention period expires, the relevant ballots shall be continuously retained until the litigation is concluded and finalized.

The person(s) to supervise the election and the person(s) to record the ballots shall be designated by the chairman, provided, however, that the person supervising the election shall be a Member.

#### **Article 7**

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved by Members at the Meeting, the Meeting shall proceed in accordance with the agenda.

In the event that the Meeting convened pursuant to the preceding section will be presided by a director other than the chairman of the Company, acting as a proxy for the chairman, such director shall be the person who has held such position for at least six months and understands the financial and business operation of the Company. The same shall apply where such presiding director is a representative of legal person director.

Section 1 applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting until and unless all the discussion items (including ad hoc motions) listed in the agenda are resolved.

The Members are not permitted to designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the Members may designate, by a majority of votes represented by Members attending the Meeting, one person as chairman to continue the Meeting.

## **Article 8**

Before putting the agenda for voting, the chairman shall provide allow the Member to have sufficient discussions. The chairman is entitled to end the discussion of any agenda and go into voting if the chairman, at his discretion, deems the discussion has been sufficient to the extent to put the agenda for a resolution.

## **Article 9**

When a Member present at the Meeting would like to make a statement about the agenda, a speech note should be filled out with summary of the speech, the Member's number (or the number of attendance card) and the name of the member. In the event of multiple speech notes, the sequence of speeches by Members should be decided by the chairman.

If any Member present at the Meeting submits a speech note but does not speak, no speech should be deemed to have been made by such Member. In case the contents of the speech of a Member are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each Member shall, for each agenda, speak at most two times and each time shall not exceed 5 minutes. In case the speech of any Member violates the above provision or exceeds the scope of the agenda, the chairman may restrain such Member from making any further statement.

Unless otherwise permitted by the chairman and the Member in speaking, no other Member is permitted to interrupt the speeches of the said Members, otherwise the chairman shall stop such interruption.

If a corporate Member designates two or more representatives to attend the Meeting, only one representative is allowed to make a statement for each agenda.

After the speech of a Member, the chairman may respond himself/herself personally or appoint an appropriate relevant person to respond.

When the Meeting is held by means of Virtual Meeting or the hybrid meeting, after the chairman announces the beginning of the Meeting and before the Meeting is dissolved, the Member who participates by means of Communications Facilities may raise questions in writing on the platform of Communication Facilities for the Virtual Meeting or the hybrid meeting at most two times each agenda. The question shall contain no more than two hundreds (200) words. The foregoing Clauses 1 to 5 shall not apply in the case of Virtual Meeting.

**Article 10**

The process of Members' attendance registration, the process of the Meeting and the process of votes counting shall be tape recorded and videotaped continuously. These audio and video recording shall be preserved for at least one year. If litigation occurs regarding any matter resolved by the Meeting and procedures, the relevant audio and video recording shall be continuously retained until the litigation is concluded and finalized.

The resolutions of general meeting shall be recorded in the meeting minutes. The meeting minutes shall record the place, the date of the meeting (including yy/mm/dd), the name of the chairman, the voting method, summary of the discussion process and the result. Meeting minutes shall be signed or chopped by the chairman of the Meeting and distributed to all Members within twenty days after the Meeting, and shall be published on the website pursuant to the Applicable Public Company Rules.

When the Meeting is held by means of Virtual Meeting or the hybrid meeting, in addition to the matters stated in the foregoing clause, the meeting minutes shall also record when the Meeting starts and dissolves, how the Meeting is being called and held, the respective names of the chairman and the secretary, and the approaches taken to solve the problems if the Members are unable to participate by means of video or similar communications facilities because of natural disasters, unforeseen events, or any other force majeure or because of the non-function or breakdown on the communications facilities for the Virtual Meeting or the hybrid meeting caused by such event.

When the Meeting is held by means of Virtual Meeting, in addition to the matters stated in the foregoing clause, the alternative measures provided to the Members who have difficulties to participate by means of use of Communications Facilities shall be recorded in the meeting minute.

The meeting minutes shall be kept throughout the life of the Company. The meeting minutes may be distributed by means of electronic transmission. The distribution of meeting minutes as required above may be effected by means of public notice on the website pursuant to the Applicable Public Company Rules.

Public announcement of any resolution in respect of any material information prescribed by the Applicable Public Company Rules shall be made timely on the information reporting website designated by the competent authority.

**Article 11**

Member shall observe the Rules and Procedures, the resolutions and the order made by the chairman.

The chairman may direct disciplinary personnel or security personnel to maintain the order of the Meeting. Such disciplinary personnel or security personnel shall wear badges marked "Disciplinary Personnel" for

identification purpose.

For those Members who use microphones other than the ones supplied at the promises may be refrained from speaking by the order of the chairman.

In the event that any Member violates these Rules and Procedures and refuse to obey the order or instructions given by the chairman, the chairman has power to order disciplinary officers or security guards to remove them from the meeting place.

#### **Article 12**

During the Meeting, the chairman may, at his discretion, set time for intermission. Subject to applicable Laws and regulations and the Articles of Association of the Company, in case of incident of force majeure, the chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will resume or, by resolution of the Members present at the Meeting (provided that a quorum is present), the chairman may resume the Meeting within five days without further notice or public announcement.

#### **Article 13**

When the Meeting is held by means of Virtual Meeting or hybrid meeting, the Company shall timely disclose the results of the voting and elections on the platform of the Communication Facilities for the Virtual Meeting or the hybrid meeting right after the voting or the election ends. Such disclosure shall remain at least 15 minutes after the Meeting is dissolved.

#### **Article 14**

When the Meeting is held by means of Virtual Meeting or hybrid meeting, before the Meeting is dissolved, if the Members are unable to participate by means of video or similar communications facilities because of natural disasters, unforeseen events, or any other force majeure or because of the non-function or breakdown on the communications facilities caused by such event and such situation remains for 30 minutes or longer, the Meeting shall be adjourned or reconvened within 5 days, and Article 182 of the Company Act does not apply.

#### **Article 15**

These Rules and Procedures shall be effective from the date of listing of shares of the Company on the TPEx or the TSE, as applicable. Any amendment or revision thereto shall be effective upon the approval of the Meeting.



THE COMPANIES LAW (As Revised)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION  
OF  
PARADE TECHNOLOGIES, LTD.**

(adopted by Special Resolution passed on June 15, 2023)

1. The name of the Company is **Parade Technologies, Ltd.**
2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, KY1-1104 Cayman Islands, or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have the full power and authority to carry out any object not prohibited by the Companies Act (As Revised) or as the same may be revised from time to time, or any other law of the Cayman Islands.
4. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
5. The share capital of the Company is New Taiwan Dollars 1,500,000,000 divided into 150,000,000 Ordinary Shares of a par value of New Taiwan Dollar 10.
6. The Company shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
7. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

THE COMPANIES LAW (As Revised)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**PARADE TECHNOLOGIES, LTD.**

(adopted by Special Resolution passed on June 15, 2023)

## **INTERPRETATION**

1. In these Articles, Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith:

“**Applicable Laws**” means the Applicable Public Company Rules, the Statute or such other rules or legislation applicable to the Company.

“**Applicable Public Company Rules**” mean the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, and rules and regulations promulgated by the FSC, the TPEX, or 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**” means these Articles as originally framed or as from time to time altered by Special Resolution.

“**Audit Committee**” means the audit committee under the Board, which shall comprise solely of Independent Directors of the Company.

“**Base Director Remuneration**” has the meaning given in Article 75.

“**Board of Directors**” or “**Board**” means the board of directors of the Company.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for business in California, United States, and the Republic of China.

“**Capital Reserve**” means the premium in excess of par value paid on the issuance of any Shares and income from endowments received by the Company.

“**Cayman Merger**” means the merger or consolidation as defined in the Statute.

“**Chairman**” means the Director elected amongst all the Directors as the chairman of the Board.

“**Company**” means the above-named Parade Technologies, Ltd.

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

**"Cumulative Voting"** means the voting mechanism for election of Directors under which the number of votes exercisable in respect of one share shall be the same as the number of Directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed elected.

**"Directors"** mean the directors for the time being of the Company and shall include any and all Independent Directors.

**"Dividend"** means any dividend (whether interim or final) resolved to be paid on Shares pursuant to these Articles and includes bonus.

**"Electronic Record"** has the same meaning as in the Electronic Transactions Act.

**"Electronic Transactions Act"** means the Electronic Transactions Act (As Revised) of the Cayman Islands.

**"Excluded Issuance"** has the meaning given in Article 6.

**"FSC"** means the Financial Supervisory Commission in the ROC.

**"TPEX"** means the Taipei Exchange in the ROC.

**"Independent Directors"** mean the Directors who are elected as "Independent Directors" for the purpose of the Applicable Public Company Rules.

**"Market Observation Post System"** or **"MOPS"** means the public company reporting system maintained by the TSE.

**"Member"** shall bear the meaning ascribed to in the Statute.

**"Memorandum"** means the memorandum of association of the Company.

**“NT\$” or “New Taiwan Dollars”** means the dollar currency of the Republic of China, i.e. the New Taiwan Dollar.

**“Options”** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire shares of the Company.

**“Ordinary Resolution”** shall mean a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting. In computing the majority when a poll is demanded regard shall be had to the number of votes to which each Member is entitled by these Articles.

**“Quorum of the Board Meeting”** means, unless otherwise provided in these Articles, the majority of the Directors.

**“Register of Members”** means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.

**“Registered Office”** means the registered office for the time being of the Company.

**“Restricted Shares”** has the meaning given in Article 10-1.

**“ROC”** means Taiwan, the Republic of China.

**“Seal”** means the common seal of the Company and includes every duplicate seal.

**“Secretary”** includes any person appointed to perform the duties of Secretary of the Company.

**“Shares” or “shares”** shall be construed as a reference to shares of each class of share of the Company from time to time in issue.

**“Special Resolution”** means a resolution passed by a majority of not less than two-thirds (or such greater number as may be specified in these Articles, if any) of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. In computing the majority when a poll is demanded regard shall be had to the number of votes to which each Member is entitled by these Articles.

**“Statute”** means the Companies Act of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.

**“Subsidiary”** means, with respect to any company, (1) the entity, more than one-half of whose total number of the outstanding voting shares or the total amount of the capital stock are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board directors are concurrently acting as the shareholders involved in management or board directors of such company; and (4) the entity, one half or more of whose total number of outstanding voting shares or the total amount of the capital stock are held by the same shareholder(s) of such company.

**“Supermajority Resolution”** means a resolution passed by a majority vote of the Members at a general meeting attended by Members (either in person or by proxy) who represent two-thirds or more of the total outstanding Shares or, if the total number of Shares represented by the Members present (either in person or by proxy) at the general meeting is less than two-thirds of the total outstanding Shares, but more than one half of the total outstanding Shares, means instead, a resolution passed by the two-thirds or more of votes cast by the Members present (either in person or by proxy) at such general meeting.

**“TDCC”** means the Taiwan Depository & Clearing Corporation.

**“Treasury Shares”** means a Share held in the name of the Company as a treasury share in accordance with the Statute.

**“TSE”** means the Taiwan Stock Exchange Corporation.

**“US\$”** refers to the dollar currency of the United States of America and references to cents or ¢ or should be construed accordingly.

**“Vice Chairman”** means the Director elected amongst all the Directors as the vice chairman of the Board.

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

**“Written”** and **“in writing”** include all modes of representing or reproducing words in visible form, including Electronic Record.

Words importing the singular number include the plural number and vice versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include corporations, partnerships, limited liability companies or other business organizations.

References to provisions of any law or regulation shall be construed as references to those provisions as amended, re-enacted or replaced from time to time.

The word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

Headings are inserted for reference only and shall be ignored in construing these Articles.

Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.

### **COMMENCEMENT OF BUSINESS**

2. The business of the Company may be commenced as soon after incorporation of the Company as the Board shall see fit, notwithstanding that part only of the shares may have been allotted. In the course of conducting its business, the Company shall comply with the Applicable Public Company Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.

3. The Board may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

## ISSUE OF SHARES

4. Subject to the provisions in the Statute, the Company shall issue shares without printing share certificates for the Shares issued. Subject to these Articles, the provisions, if any, in the Memorandum (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and may also (subject to the Statute and these Articles) vary such rights; provided that no Share shall be issued at a discount except in accordance with the Statute. So long as the Shares have been listed on the TPEX or on the TSE, notwithstanding anything contained in these Articles and subject always to the laws of the Cayman Islands, the details of the holders of Shares which are traded on the TPEX or on the TSE shall be recorded by TDCC in accordance with Applicable Public Company Rules, and the Company shall recognize as a Member each person identified as a holder of a Share in the records provided by TDCC to the Company and such records shall form part of the Register of Members.

4-1 The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“preferred Shares”) with the approval of a majority of the Directors present at a meeting attended by two-third or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:

(a) order, fixed amount or fixed ratio of allocation of Dividends and bonus on preferred Shares;

(b) order, fixed amount or fixed ratio of allocation of residual assets of the Company on a liquidation or other return of capital by the Company;

(c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;

(d) other matters concerning rights and obligations incidental to preferred Shares; and

(e) the procedure and method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.



5. Unless otherwise provided for in these 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 time be subject to the sufficiency of the authorized share capital of the Company.

6. 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 unless it is not necessary or appropriate, as determined by the FSC, TSE or TPEX, for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail. The Company may also reserve up to 15% of such newly issued shares for subscription by employees of the Company and/or of the Company's Subsidiary(ies). For the avoidance of doubt, this Article 6 does not apply to issuance of Shares resulting from or in connection with any merger, consolidation, spin-off, amalgamation, asset acquisition, reorganization, share swap, share subdivision, stock exchange, conversion of convertible securities, debt instruments or preferred Shares, other issuance of shares for consideration other than cash, issuance of Shares upon exercise of share options, warrants, awards or other rights, or issuance of Restricted Shares ("**Excluded Issuance**").

7. Unless otherwise resolved by the Members at a general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new Shares for cash consideration, the Company shall make a public announcement and notify each Member that he/she/it is entitled to exercise a pre-emptive right to purchase his/her/its pro rata portion of the remaining new Shares (after allocation of the public offering portion and the employee subscription portion pursuant to Article 6) issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members that if any Member fails to subscribe for his/her/its pro rata portion of such remaining newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to subscribe for such newly-issued Shares. In the event that the number of Shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe for one newly-issued Share, Shares held by several Members may be calculated together for joint subscription of newly-issued Shares or for subscription of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. In the event any subscriber Member delays in making full payment of the subscription price, the Company may fix a period of not

less than [one month] and call upon such subscriber Member to pay up, declaring that in case of default of payment within such stipulated period, such Member shall be deemed to forfeit his/her/its pre-emptive right to subscribe for such newly-issued Shares. If the total number of the new Shares to be issued has not been fully subscribed for by the Members within the prescribed period, including new Shares subscribed but not been timely paid in full within the stipulated period, the Company may consolidate such Shares into the public offering tranche or offer any unsubscribed new Shares to a specific person or persons according to the Applicable Public Company Rules. The foregoing Members' pre-emptive right shall not apply to an Excluded Issuance.

8. The Company shall not issue any nil-paid Shares or partly paid-up shares.

9. The Company may, upon approval by majority of the Directors at a meeting attended by two-thirds or more of all the Directors, adopt one or more incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries. Any such employee who also acts as Director of the Company may participate in the incentive programmes in his/her capacity as an employee and not as a director of the Company. The maximum aggregate number of the Shares that may be subject to subscription pursuant to any such incentive programme shall be 15% of then registered issued Shares.

10. Options, warrants or other similar instruments issued in accordance with Article 9 above are not transferable except for inheritance.

10-1. To the extent permitted under and subject to the Applicable Public Company Rules and the Statute, the Company may, with the approval of a Supermajority Resolution, issue new Shares with restricted rights ("**Restricted Shares**") solely to employees of the Company and its Subsidiaries and Article 6 and 7 shall not apply to such issue of Shares. The terms of issue of Restricted Shares, including but not limited to the number, issue price, issue conditions and other related matters, shall comply with the Applicable Public Company Rules. The Company may repurchase the Restricted Shares issued to the relevant employees pursuant to Article 120-3 hereof if the vesting conditions set forth in the plan of Restricted Shares are not met.

11. The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive

programme approved pursuant to Article 9 above, whereby employees may subscribe, within a specific period, a specific number of the Shares at an agreed subscription price. The terms and conditions of such agreements shall be no less restrictive on relevant employee than the terms specified in the applicable incentive programme.

12. The Company shall not issue Shares in bearer form. The Company shall not issue Shares without nominal or par value.

13. The Company shall maintain or cause to be maintained the Register of Members.

### **VARIATION OF RIGHTS OF SHARES**

14. Except as otherwise provided for herein, if at any time the share capital of the Company 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 that class. Notwithstanding the forgoing, if any modification or alteration in these Articles is prejudicial to the preferential rights of any class of Shares, in addition to the Special Resolution, such modification or alternation shall also be approved by a Special Resolution passed in a separate general meeting of the holders of the shares of that class.

15. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least a majority of the issued shares of the class.

16. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall be deemed to be varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

### **TRANSFER OF SHARES**

17. The instrument of transfer of any shares, if required, shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the Register of Members in respect thereof.

18. The transfer of Share may be conducted via the following methods.

(a) Subject to these Articles and the Applicable Public Company Rules, any Member may transfer all or any of his/her/its Shares by an instrument of transfer. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

(b) Notwithstanding Article 18(a) above, the Board may, subject to the applicable laws of the Cayman Islands and if so permitted, allow shares of any class in the Company to be transferred without an instrument of transfer by means of a relevant system, including that of the TDCC or any method of transferring or dealing in securities introduced by TPEX or TSE. The Company shall, by notice, require the holder of Shares to give instructions, or appoint a person to give instructions, necessary to transfer title to that Share by means of the relevant system pursuant to the applicable regulations, the facilities and the requirements of the relevant system; provided that such instructions shall be subject always to these Articles and the laws of the Cayman Islands and the Applicable Public Company Rules.

### **NONRECOGNITION OF TRUSTS**

19. No person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

### **REGISTRATION OF EMPOWERING INSTRUMENTS**

20. The Company shall be entitled to charge a reasonable fee on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument.

### **TRANSMISSION OF SHARES**

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

he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

22. Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be. If the person so becoming entitled shall elect to be registered himself as holder, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

23. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; PROVIDED, HOWEVER, that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

**AMENDMENT OF MEMORANDUM AND ARTICLES, CHANGE OF  
LOCATION  
OF REGISTERED OFFICE AND ALTERATION OF CAPITAL**

24. (a) Subject to and insofar as permitted by the provisions of the Statute, the Company may from time to time by Ordinary Resolution:

(i) increase the share capital by such sum to be divided into shares of such amount as the Ordinary Resolution shall prescribe, and with such rights,

priorities and privileges annexed thereto, as the Company in general meeting may determine;

(ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association

(iv) cancel any shares which, at the date of the passing of the Ordinary Resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorized share capital by the amount of the Shares so cancelled.

(b) All new shares created hereunder shall be subject to the same provisions with reference to transfer, transmission, and otherwise as the shares in the original share capital.

(c) Subject to the provisions of the Statute, the Company may by Special Resolution

(i) change its name or alter its objects;

(ii) reduce its share capital and any capital redemption reserve fund;

(iii) alter or add to these Articles; and

(iv) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein.

(d) Subject to the provisions of the Statute, the Company may by resolution of the Board change the location of its registered office. The Company may in addition to its Register Office, maintain such offices or places of business as the Board may determine.

(e) Subject to the Statute, the Company may from time to time by Supermajority Resolution

(i) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 121 hereof;

(ii) effect any merger (other than a Cayman Merger), share swap or spin-off of the Company;

(iii) enter into ,amend, or terminate any contract for lease of the Company's business in whole, or for delegation of management of the Company's business to others, or for regular joint operation with others;

(iv) transfer its business or assets, in whole or in any essential part;

(v) acquire or assume the whole business or assets of another person, which has a material effect on the Company operation; or;

(vi) issue the Restricted Shares.

(f) Subject to the Statute, with regard to the dissolution procedure of the Company, the Company shall pass:

(i) an Ordinary Resolution, in the event that the Company resolves that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or

(ii) a Special Resolution, in the event that the Company resolves that it be wound up voluntarily for reasons other than that as set out in Article 24(f)(i) above.

(g) Subject to the Statute, the Company shall not, without the approval of Supermajority Resolution, issue securities, including options, warrants and convertible bonds, pursuant to a statutory private placement in accordance with Applicable Public Company Rules.

(h) Subject to the Statute and Applicable Public Company Rules, the Company may by Ordinary Resolution redeem or purchase its own Shares by reducing and making payment out of its share capital. Any such redemption or purchase and the payment out of share capital must be made to all Members pro rata based on the percentage of shareholdings of the Members, unless otherwise provided for in the Statute or the Applicable Public Company Rules.

Upon approval by Ordinary Resolution, the Company may make payments in respect of such redemption or purchase to any Member in proportion to their respective shareholdings in the Company either by cash or by distribution of specific assets of the Company, provided however, that where assets other than cash

are distributed to the Members, the type of assets, the value of the assets and the corresponding amount of such substitutive distribution shall be (a) assessed by an ROC certified public accountant before being submitted to the Members for approval; (b) approved by the Members by Ordinary Resolution and (c) agreed to by the Member who will receive such assets.

24-1. Notwithstanding otherwise provided in these Articles, unless otherwise provided by the Applicable Laws, in case the Company will be dissolved upon the consummation of a merger/consolidation to which the Company is a party or the Company will be delisted from the Taipei Exchange due to the general transfer/assignment of all rights and obligations the Company, the general transfer/assignment of business or assets of the Company, any share swap arrangement or any spin-off to which the Company is a party while the surviving company, the transferee, the acquirer, whether being an existing or a newly incorporated company, is not a listed company (including TWSE/ Taipei Exchange listed company), any transaction aforementioned shall be subject to the approval adopted by the affirmative vote of Members holding at least two-thirds (2/3) of the total issued Shares of the Company.

### **GENERAL MEETING**

25. The Company shall in each year hold a general meeting as its annual general meeting within six (6) months following the end of each financial year, and shall specify the meeting as such in the notices calling it. Subject to this Article, the annual general meeting shall be held at such time and place as the Board of Directors shall appoint.

25-1. The Company's general meeting may be held by means of physical meeting, Virtual Meeting or other methods promulgated by the competent governmental authority of the ROC, including but not limited to hybrid meeting.

25-2. In case where a general meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting or hybrid meeting, any shareholder who participates by means of use of such Communication Facilities shall be deemed as presence in person at such meeting. The prerequisites, procedures, and other compliance matters regarding holding a general meeting via hybrid meeting or Virtual Meeting shall be subject to the Applicable Public Company Rules of the ROC.



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

27. Unless otherwise provided by the Statute, all physical general meetings shall be held in the ROC. If the Board resolves to hold a physical general meeting outside the ROC, the Company shall seek approval from the TPEX or the TSE therefor within two (2) days after the Board adopts such resolution. Where a 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 matters of such general meeting (including but not limited to the handling of the voting of proxies submitted by any Members).

28. The Directors may, whenever they think fit, and they shall on the requisition of Members of the Company, holding at the date of the deposit of the requisition not less than three percentage (3%) of the total number of the issued shares at the date of the deposit of requisition and whose Shares shall have been held by such Member(s) for at least one (1) year to the date of the deposit of requisition, proceed to convene an extraordinary general meeting of the Company.

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

(b) If the Board does not within fifteen (15) days from the date of the deposit of the requisition dispatch the notice to convene an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEX or the TSE for its prior approval and provided further that any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said fifteen (15) days.

(c) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board.

28-1. To the extent permitted under and subject to the Applicable Public Company Rules and the Statute, any one or more Members holding in aggregate more than fifty percentage (50%) of the total number of the issued Shares of the Company

for at least three (3) consecutive months may convene an extraordinary general meeting. The period during which a Member holds the Shares and the number of Shares held by a Member shall be determined based on the Register of Members as of the book close date of the relevant extraordinary general meeting.

### **NOTICE OF GENERAL MEETINGS**

29. At least thirty (30) days' notice of an annual general meeting, shall be given to each Member entitled to attend and vote thereat stating the date, place and time at which the meeting is to be held and the general nature of business to be considered at the meeting. The foregoing 30-day period shall be exclusive of the date on which it is given or deemed to be given and of the date of the meeting.

30. At least fifteen (15) 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 foregoing 15-day period shall be exclusive of the date on which it is given or deemed to be given and of the date of the meeting.

31. A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by all the Members entitled to attend an annual general meeting or an extraordinary general meeting (as the case may be).

32. 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.

33. For so long as the Shares are listed on the TPEx or the TSE, the Company shall send materials relating to the matters to be discussed in the meetings together with the notice, in accordance with Article 29 and Article 30 hereof, and shall transmit the same via the Market Observation Post System. 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 used for the exercise of voting power together with the above mentioned materials. The Company shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one (21) days prior to the annual general meetings or, in the case of extraordinary general meetings, fifteen (15) days prior to such meeting. However, in

the case of the Company's paid-in capital reached NT\$10 billion or more as of the last day of the most recent fiscal year, or the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the Register of Members at the time of holding of the annual general meeting in the most recent fiscal year, the Company shall upload the preceding electronic files thirty (30) days prior to such meeting, in the case of the annual general meeting.

34. The following matters shall be stated in the notice of general meetings, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The Company may post such material contents on the website designated by FSC or the Company and state the website address in the notice of general meeting:

(a) election or discharge of Directors,

(b) alteration of the Articles,

(c) (i) dissolution, merger, share swap, or spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the Company's business or assets, in whole or in any essential part, (iv) acquisition or assumption of the whole business or assets of another person, which has a material effect on the Company's operation,

(d) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person, other than Subsidiary(ies), that is within the scope of the Company's business,

(e) distribution of the whole or part of the profit of the Company in the form of new Shares, distribution of Capital Reserve or statutory reserve in the form of cash, capitalization of Capital Reserve and any other amount in accordance with Article 121;

(f) private placement of any equity-type securities issued by the Company;

(g) transfer of Treasury Shares to any employee of the Company and its Subsidiaries at a price below the average repurchase price paid by the Company;

(h) reduction of capital; and

(i) application for de-registration as a public company in ROC.

35. The Board shall cause these Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company to be placed at the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. The Company shall procure such agent to furnish the documents as requested. The Board or any person who is entitled to convene the general meeting in accordance with these Articles may require the Company or its stock affairs agent to furnish the Register of Members.

36. The Company shall make available all 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 its stock affairs agent located in the ROC ten (10) 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.

37. The Board may postpone any general meeting called in accordance with these Articles and a notice of postponement shall be given to each Member before the time scheduled for such meeting. A notice of the adjourned meeting shall be given as in the case of an original meeting.

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

### **PROCEEDINGS AT GENERAL MEETINGS**

39. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Unless otherwise provided for in the Articles, the quorum shall be Members present in person or by proxy holding a majority of total outstanding shares. For the purpose of

calculation of the quorum for the general meeting, shares which do not carry the voting right shall not be counted in the total number of outstanding Shares. Members present in person or by proxy at a meeting at which a quorum is present when the meeting proceeds to business may continue to do business until adjournment notwithstanding that a quorum ceases to exist provided any action is approved by at least a majority of the holders required to constitute a quorum except otherwise provided for in the Articles.

40. Except as otherwise provided by these Articles, at the close of each fiscal year, 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 which shall be held within six (6) months following the end of each fiscal year for ratification by the Members as required by the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies or make a public announcement of the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or allocation of losses, to each Member in accordance with the Applicable Public Company Rules.

41. If, upon the time appointed for the general meeting a quorum is not present, the chairman may postpone the general meeting for two (2) times at most and for up to one (1) hour in total with the same quorum requirements as the meeting originally convened as set out in Article 39. If after two (2) postponements the number of shares represented by the attending Members has not yet constituted the quorum required for such meeting, the chairman of the general meeting shall dissolve the meeting or adjourn the meeting to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within an hour from the time appointed for the meeting, the chairman of the general meeting shall dissolve the meeting.

42. At any general meeting, unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll.

43. A vote by way of a show of hands in lieu of a poll shall not be permitted.

44. 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 improper convening of any general meeting or the improper passage of any resolution within thirty (30) days after the passage of such resolution. To the extent permitted by Applicable Laws, the Taiwan Taipei District Court, ROC,

may be the court of first instance for adjudicating any disputes arising out of the foregoing.

45. Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolutions, approval, confirmation or adoption by the Members at any general meeting may be passed by Ordinary Resolution.

46. Member(s) holding 1% or more of the total outstanding Shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company a proposal for discussion at an annual general meeting in writing or by way of electronic transmission. Proposals shall be included in the agenda of the annual general meeting unless (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; (d) the Board does not receive the proposal during the proposal period announced by the Company; or (e) the proposal contains more than three hundred (300) words. For any shareholder proposal which purpose is to urge the Company to promote public interests or to fulfill its social responsibility, the Board may, at its discretion, accept such proposal to be included in the agenda to be discussed at a general meeting.

47. The rules and procedures of general meeting shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with these Articles and the Applicable Public Company Rules.

### **VOTES OF MEMBERS**

48. Subject to any rights or restrictions attached to any Shares, every Member who being an individual is present in person or by proxy or, if a corporation or other non-natural person is present by its duly authorized representative or by proxy. Each Member who is present in person or by proxy shall have one vote for every share of which he/she/it is the holder. A Member holding more than one Share is required to cast the votes in respect of his/her/its Shares in the same way on any resolution at a general meeting unless otherwise provided by the Applicable Public Company Rules, in which case the casting of votes shall comply with the Applicable Public Company Rules.

49. In the case of joint holders of record, 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.

50. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote on a poll by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.

51. No Member shall be entitled to vote at any general meeting unless he is registered as a member of the Company on the record date for such meeting, nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

52. Votes may be cast either in person or by proxy. A Member may appoint another person as his/her/its proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend 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.

53. The Board may determine that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission provided that the Board shall allow the voting power of a Member at a general meeting to be exercised by way of electronic transmission if the size of the Company, number and types of Members or other matters meets the threshold set forth in 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. A Member who exercises his/her/its voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to be present in person at such general meeting, but any Member voting in such manner shall not be entitled to notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting.

53-1. In the event that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission, any Member intending to exercise his/her/its voting power by way of a written ballot or

electronic transmission shall serve the Company with his/her/its declaration of intention to do so at least two (2) days prior to the general meeting. If a Member serves the Company with more than one declaration of intention to exercise his/her/its voting power by way of a written ballot or electronic transmission, the first declaration shall prevail, unless an explicit written statement is made thereafter by such Member to revoke the previous declaration of intention in the same manner as previously used in exercising his/her/its voting power.

54. In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by way of a written ballot or electronic transmission pursuant to Article 53 and 53-1 hereof later intends to attend the general meetings in person, he/she/it shall, at least two (2) days prior to the date of such general meeting, serve a separate declaration of intention to revoke his/her/its previous declaration of intention in the same manner as previously used in exercising his/her/its voting power. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke the declaration of intention before the prescribed time.

#### **CLOSING REGISTER OF MEMBERS AND FIXING RECORD DATES**

55. For purposes of determining the Members entitled to notice of any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose, the Board may provide that the Register of Members shall be closed for transfers for a stated period as prescribed by the Applicable Public Company Rules. For so long as the Shares are listed on the TPEX or the TSE, the Register of Members shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days immediately before the date of each annual general meeting (inclusive), the date of each extraordinary general meeting (inclusive) and the record date for a Dividend distribution (inclusive), respectively.

56. The Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than five (5) days before the date of any such meeting, nor more than sixty (60) days before any such action without a meeting, and in such event only members of record on the date so fixed are entitled to notice, to vote or to give consents, and to receive payment of any Dividend or other distribution, as the case may be, notwithstanding the registration of any transfer of any shares.



## **PROXIES**

57. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation under the hand of an officer or attorney duly authorized in that behalf. A proxy need not be a Member of the Company. For so long as the Shares are listed on the TPEX or the TSE, the instrument appointing a proxy shall be in any usual form or common form approved by the Board from time to time and may be expressed to be for a particular meeting or any adjournment thereof.

58. Subject to the Applicable Public Company Rules, except for trust enterprises organized under the laws of the ROC or a stock affairs agent approved pursuant to Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant Register of Member closed period, during which the Company closes its Register of Members; any vote in respect of the portion in excess of such 3% threshold shall not be counted.

59. 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 no less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. 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.

60. In the event that a Member exercises his/her/its 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.

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

## **CORPORATE MEMBERS**

62. Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.

## **DISSENTING MEMBER'S APPRAISAL RIGHT**

63. In the event any of the following resolutions is adopted at a general meeting, any Member who has notified the Company of his/her/its dissent to such a resolution prior to the meeting or at the meeting either in writing or orally but being recorded in the meeting minutes and then has voted against or abstain from voting at the general meeting, is entitled to exercise his/her/its appraisal rights in accordance with these Articles:

(a) the Company enters into, amends, or terminates any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others;

(b) the Company transfers its business or assets, in whole or in any essential part; provided that the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;

(c) the Company spins off any of its department or business which operates or is able to operate, independently, is involved in any merger, conducts share swap, or acquires or transfers assets and liabilities by way of general assumption or transfer; and

(d) the Company acquires or assumes the transfer of the whole business or assets of another person, which has a material effect on the Company's operations.

The aforementioned shares for which voting right has been abstained shall not be counted in the number of votes casted by the Members at the meeting.

64. Upon the occurrence of an event described in Articles 63 above, the dissenting Member shall give a written notice to request the Company to acquire or purchase his/her/its shares no later than twenty (20) days from the date on which the resolution was passed, requesting the Company to acquire or purchase the dissenting Member's shares. Such notice shall state the class, the number and the price of shares requested to be purchased by the Company.

65. If agreement on the price of the shares can be reached between the dissenting Member and the Company, the Company shall, subject to compliance with these Articles and the Applicable Laws, repurchase and pay for the shares within ninety (90) days from the date on which the resolution was passed. If no agreement on the price of the shares is reached between the dissenting Member and the Company, the Company shall, within ninety (90) days from the date on which the resolution was passed, pay such dissenting Member the price to which the Company considers to be the fair price; and if the Company does not pay the price to which the Company considers to be the fair price within ninety (90) days from the date on which the resolution was passed, the Company shall be deemed to have agreed to the repurchase price requested by the dissenting Member. If no agreement is reached within sixty (60) days from the date on which the resolution was passed, the Company shall, within 30 days after the last day of the above 60-day period, apply to a competent court, which, for these purposes and to the extent permitted by Applicable Laws, shall include the Taipei District Court, against all the dissenting Members with whom no agreement on the price of shares has been reached for a ruling on the price.

66. The payment of repurchase price to the Members shall be made at the same time against the delivery of a declaration and an instrument of transfer in respect of the shares subject to the repurchase duly executed by such Member to the Company, and the date of repurchase of such shares shall be the date on which the payment is made and the Register of Members of the Company shall be updated accordingly.

67. The request of a Member pursuant to Articles 63 and 64 shall become ineffective if the Company announces that the Company will no longer proceed with the matters referred to in the relevant resolutions irrespective of whether a Member may have exercised its appraisal right under Articles 63 and 64 or where the Company is prohibited under Applicable Laws to repurchase the relevant shares. Where a Member fails to make a request within the period prescribed in Articles 64 and 65 above,

such Member is deemed to have duly waived its appraisal rights under Articles 63 and 64.

### **SHARES THAT MAY NOT BE VOTED**

68. Shares held as set out below shall not carry any voting rights and shall not be counted in the total number of outstanding Shares at any given time:

(a) beneficially owned by the Company itself;

(b) by any entity in which the Company owns, legally or beneficially, more than 50% of its issued and voting share capital or equity capital; or

(c) by an 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 50% of its issued and voting share capital or equity capital.

69. A Member who has a personal interest in any motion discussed at a general meeting, which interest may impair those of the Company, shall abstain from voting his/her/its shares in regard to such motion and such shares shall not be counted in the number of votes of Members for such motion pursuant to the Applicable Public Company Rules, but such shares may be counted in determining the number of shares of the Members present at the such general meeting for the purposes of determining the quorum. Where the aforesaid Member is appointed as a proxy to attend and vote at the general meeting for on behalf of another Member, if so required under Applicable Public Company Rules, he shall abstain from voting as proxy.

69-1 If any Director creates or has created security over any Shares held by him, he shall notify the Company of such security. If the security created by a Director is in respect of more than half of the Shares held by him at the time of his appointment, then the voting rights attaching to the Shares held by such Director at such time shall be reduced, such that the Shares over which security has been created which are in excess of half of the Shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Members at a general meeting.

## **DIRECTORS**

70. There shall be a Board of Directors consisting of five (5) to nine (9) Directors (exclusive of alternate Directors), each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by Special Resolution, increase or reduce the limits in the number of Directors set forth in this Article, provided that the requirements by relevant Applicable Laws (including without limitation to any listing requirements) are met. After Directors are elected pursuant to Article 102, there shall be one Chairman and one Vice Chairman elected pursuant to the rules and procedures of the meeting of the Board of the Company. For the avoidance of doubt, when the Chairman is on leave or for any reason is unable to exercise the power of the Chairman, the Vice Chairman shall do so in place of all powers and authorities of the Chairman set forth in these Articles.

71. The number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.

72. 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 71 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 71 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his/her/its position of Director automatically.

73. Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors, provided, however, that the total number of Independent Directors shall not less than one-fifth (1/5) or more of the total number of the Directors. To the extent required by the Applicable Public Company Rules, at least one (1) of the Independent Directors shall be domiciled in the ROC and at least one (1) of the same shall have accounting or financial expertise.

74. Independent Directors shall have professional knowledge and, when performing their duties or exercising their authorities, Independent Directors shall maintain independence and shall not have direct or indirect interests in the Company other than as permitted under the Applicable Public Company Rules. The professional qualifications, restrictions on shareholdings and concurrent positions, and

assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.

75. The remuneration to be paid to the Directors is authorized to be decided by the Board with reference to the standard generally adopted by other enterprises in the same industry (the “**Base Director Remuneration**”). The Directors shall also be entitled to be paid their traveling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Board, any committee appointed by the Board, or general meetings of the Company, or otherwise in connection with the business of the Company or their duties as Directors generally, or to receive a fixed allowance in respect thereof pursuant to a service agreement or contract with the Company, or a combination partly of one such method and partly the other.

76. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity, shall be in addition to his remuneration as a Director.

77. A Director or alternate Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

78. A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

79. A shareholding qualification for Directors may be fixed by the Company in general meeting, but unless and until so fixed, no qualification shall be required.

80. A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company, or in which the Company may be interested as a member or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

81. A Director or alternate Director who has interests in the matters under discussion at the meeting of the Board shall declare and disclose the nature of such

interest to the Company as required by the Applicable Laws. If any matter described in Article 24(e)(ii) to (v) is under discussion, the Director shall disclose and declare to the Board and the Members in the general meeting the material terms of his/her/its interests in such transaction and the reason he/she/it votes for or against such matter. The Company shall state the material terms of such Director's personal interest and the reason why he/she/it votes for or against such matter in the notice of the general meeting; the Company may post the material terms and the reason on the website designated by the ROC competent governmental authority in charge of securities matters or by the Company and state the website address in the above notice. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which controls or is under control by a director has interests in the matters under discussion at the meeting of the Board, such director shall be deemed to have a personal interest in the matter. Notwithstanding the foregoing, no person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established.

82. Notwithstanding anything to the contrary contained in these Articles, a Director who has a personal interest in the manner under discussion at a meeting of the Board, which may 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 or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the meeting of the Board for the purpose of that resolution.

### **ALTERNATE DIRECTORS**

83. A Director who expects to be unable to attend Directors' meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than

appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

### **POWERS AND DUTIES OF DIRECTORS**

84. The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not, from time to time by the Statute, by the Applicable Public Company Rules or by these Articles, or such regulations, being not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting; PROVIDED, HOWEVER, that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

85. Subject to Article 84 above, the Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

86. All checks, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

87. The Board shall cause minutes to be made in books provided for the purpose:



(a) of all appointments of officers made by the Board;

(b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Board and of any committee of the Board; or

(c) of all resolutions and proceedings at all meetings of the Members or holders of any class of Shares, of the Board and of committees of the Board.

88. Subject to the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### **MANAGEMENT**

89. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three (3) next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(a) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

(b) The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorize the members for the time being of any such local board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul

or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

(c) Any such delegates as aforesaid may be authorized by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

### **PROCEEDINGS OF DIRECTORS**

90. Except as otherwise provided by these Articles, the Directors shall meet together for the dispatch of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting of the Board shall be decided, resolutions put to the vote at meeting of the Board shall be adopted and other action shall be taken only upon the affirmative vote of a majority of the Directors and alternate Directors present at a meeting at which the Quorum of the Board Meeting is present and no resolution shall be passed in the case of an equality of votes. The chairman of the meeting does not have a second vote or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. The vote of an alternate Director shall not be counted if his appointor is present at such meeting.

91. The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose. At least seven (7) days' prior notice shall be given for any meeting of the Board of the Directors provided that the Board of Directors may meet at any time in case of any urgent circumstances where the majority of the Directors agree to waive notice of such meeting either at, before, or after the meeting is held. All such waivers, consents and approvals shall be filed with the corporate records or made part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the Board, of Directors.

92. A meeting at which a Quorum of the Board Meeting is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the vote of the Directors and alternate Directors present at a meeting at which the Quorum of the Board Meeting is present.

93. For the purposes of Article 90 an alternate Director or proxy appointed by a Director shall be counted in the Quorum of the Board Meeting at a meeting at which the Director appointing him is not present. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the Quorum of the Board Meeting.

94. The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company pursuant to Articles 103 and 104 below to appoint additional Directors so that the number of Directors will be equal to such fixed number, but for no other purpose.

95. The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors (including alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

96. A committee may meet and adjourn as it thinks proper. Except for otherwise provided in the Applicable Laws, questions arising at any meeting shall be determined by the affirmative vote of the majority of the committee members present.

97. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.

98. Members of the Board or of any committee thereof may participate in a meeting of the Board or of such committee by means of video conference or similar communications facilities by means of which all persons participating in the meeting can see and communicate with each other at the same time and participation in a meeting pursuant to this manner shall be treated as presence in person at such meeting.

99. A Director but not an alternate Director may be represented at any meetings of the Board or committee of the Board by a proxy appointed in writing by him/her. A Director appointing another Director to attend a Board meeting as his or

her proxy shall issue a proxy, valid only for the particular appointment, listing the powers and authorities in relation to the reasons for convening the meeting granted to the proxy agent. The proxy shall count towards the Quorum of the Board Meeting and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

100. The rules and procedures of the meeting of the Board shall be established by the Board in accordance with these Articles and the Applicable Public Company Rules. Subject to the foregoing, the Directors may regulate their proceeding as they see fit.

### **ELECTION OF DIRECTORS**

101. The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 102 below. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect one or more Directors.

102. Directors shall be elected pursuant to Cumulative Voting pursuant to a poll vote, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors to be elected (“**Special Ballot Votes**”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director candidate or may be split for election amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. The top candidates in the number equal to the number of the Directors to be elected, to whom the votes cast represent a prevailing number of votes relative to the other candidates, shall be deemed Directors elected. For so long as the Shares are listed on the TPEX or the TSE, as applicable, (a) the Company shall adopt a candidate nomination mechanism for the election of the Directors which is in compliance with the Applicable Public Company Rules. The rules and procedures for such candidate nomination shall be in accordance with policies established by the Board and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules; (b) subject to the requirement of the competent securities authority in the ROC, such candidate nomination mechanism in compliance with the Applicable Public Company Rules shall also be used for the election of Independent Directors.

103. If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the

next following general meeting. When the number of vacancies of Directors fall short by one third (1/3) of the total number of Directors prescribed by these Articles, an extraordinary general meeting of Members shall be convened within sixty (60) days of the occurrence of that fact to hold a by-election of directors.

104. If the number of Independent Directors is less than three (3) persons due to the resignation or removal of any of the Independent Director(s) for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors have resigned or are removed, the Company shall hold, within sixty (60) days from the occurrence of such resignations or removals of the last Independent Directors, an extraordinary general meeting to elect Independent Directors to fill the vacancies.

### **RESIGNATION, REMOVAL AND DISQUALIFICATION**

105. Any Director may resign effective on giving written notice to the Board of Directors, unless the notice specifies a later time for that resignation to become effective.

106. The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another person to fill in the vacancy; provided that the Company may remove all Directors and elect new Directors to fill the vacancies at the same time in accordance with this Article and Article 102 and unless the resolution approving such removal and election provides otherwise, the existing Directors' office shall be automatically discharged upon the passing of such resolution prior to the expiration of such Directors' applicable period of office.

107. The office of a Director shall be vacated if the Director:

(a) is removed from office pursuant to these Articles;

(b) gives notice in writing to the Company that he resigns the office of Director;

(c) dies, becomes bankrupt or under the liquidation process as adjudicated by a court and having not been reinstated to his rights and privileges, or makes any arrangement or composition with his creditors generally;

(d) an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of

managing his affairs, or his legal capacity is restricted according to the Applicable Laws;

(e) has committed an offence as specified in the ROC Organized Crime Prevention Act and subsequently adjudicated guilty by a final judgment, and (i) has not commenced to serve the term of sentence, (ii) has commenced to serve the term of sentence but not served the full term, or (iii) less than five (5) years have elapsed from the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;

(f) has committed an offence involving fraud, breach of trust or misappropriation and subsequently sentenced to imprisonment of a term of more than one (1) year by a final judgment, and (i) has not commenced to serve the term of sentence, (ii) has commenced to serve the term of sentence but not served the full term, or (iii) less than two (2) years have elapsed from the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;

(g) has committed an offense as specified in the Anti-Corruption Act and subsequently adjudicated guilty by a final judgment, and (i) has not commenced to serve the term of sentence, (ii) has commenced to serve the term of sentence but not served the full term, or (iii) less than two (2) years have elapsed from the date of completion of the full sentence, the date of expiry of the probation period or the date on which he has been pardoned;

(h) has been dishonored for use of negotiable instruments, and the term of such sanction has not yet expired; or

(i) has been adjudicated of the commencement of assistantship (as defined in the Civil Code of the ROC) and such assistantship or similar declaration having not been revoked.

In the event that any of the foregoing events described in clauses (c), (d), (e), (f), (g), (h) and (i) has occurred to a candidate for Directorship, such person shall be disqualified from being elected as a Director.

108. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws and regulations and/or these Articles, but not removed by a Supermajority Resolution of a general meeting, the Member(s) holding three (3) percentage or more of the total number of outstanding shares of the Company may, within thirty (30) days after that general meeting, to the extent permissible under

Applicable Laws, petition any competent court, which for these purposes and to the extent permitted by Applicable Laws, shall include the Taipei District Court, for the removal of such Director and such Director shall be removed upon the final judgment by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this Article, final judgment shall be given by such competent court.

108-1. Without limiting the availability of applicable remedies under Cayman Islands law, and only to the extent ROC law permits, in case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of Applicable Laws and regulations and/or Articles, the Member(s) who has been individually, or have been collectively, continuously holding 1% or more of the total number of the issued shares of the Company over six (6) months may, in his/her/its name, launch a litigation against such Director and the Taipei District Court shall have the exclusive jurisdiction on such litigation.

108-2. For so long as the Shares are listed on the TPEX or the TSE, subject to the Applicable Public Company Rules (and the interpretation thereof), any Director (excluding Independent Director) who, during his/her term and in one or more transactions, accumulatively transfers more than fifty percent (50%) of the total Shares held by such Director at the time he/she is elected at a general meeting (the "Election Time"), shall be discharged or vacated from the office of Director automatically and no shareholders' approval shall be required. For so long as the Shares are listed on the TPEX or the TSE, subject to the Applicable Public Company Rules (and the interpretation thereof), if any person transfers, in one or more transactions, more than fifty percent (50%) of the Shares held by him/her at the Election Time either (i) during the period from the Election Time to the commencement date of his/her office as Director, or (ii) during the period when the Register of Member is closed for transfer of Shares prior to the general meeting at which such person is elected as a Director (excluding Independent Director), his/her appointment or election as Director shall be null and void. For the purpose of calculation of the aggregate number of Shares transferred by the Director, any transfer of Shares by the Director prior to the adoption of this Article 108-2 shall be counted in. Notwithstanding the foregoing, this Article 108-2 shall not apply retroactively and thus the Director who has transferred more than fifty percent (50%) of the total Shares held by such Director at the Election Time prior to the adoption of this Article 108-2 shall not be discharged or vacated from the office upon the adoption of this Article 108-2 and for the avoidance of doubt, any transfer of Shares by such Director after the adoption of this Article 108-2 shall be subject to this

Article 108-2 and shall be aggregated with the Shares transferred prior to the adoption of this Article 108-2.

### **TENDER OFFER**

109. [Deleted]

### **SEAL**

110. The Company may, if the Board so determine, have a Seal. The Seal shall only be used by the authority of the Board or of a committee of the Directors authorized by the Board in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or secretary-treasurer or some person appointed by the Directors for the purpose:

PROVIDED THAT the Company may have for use in any place or places outside the Cayman Islands, a duplicate seal or seals each of which shall be a facsimile of the Common Seal of the Company and, if the Board so determine, with the addition on its face of the name of every place where it is to be used; and

PROVIDED FURTHER THAT a Director, Secretary or other officer or representative or attorney of the Company may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

### **OFFICERS**

111. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Board who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe. The officers, in the course of performing their duties to the Company, shall assume responsibilities identical to that of the Directors.

### **LITIGATION AND NON LITIGATION AGENT**

111-1. So long as the Shares are listed on the TPEX, the Company shall, by a resolution of the Directors, appoint or remove a litigation and non-litigation agent



pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the ROC to handle matters stipulated in the ROC Securities and Exchange Act and the relevant rules and regulations thereto.

## **DIVIDENDS**

112. All dividends declared shall be declared payable to the holders thereof registered as such on the record date specified by the Directors at the time such dividends are declared.

113. Unless otherwise provided in the Applicable Public Company Rules, where the Company makes profits before tax for the annual financial year, the Company shall appropriate (i) no less than 3.0% and up to 7.5% of such annual profits before tax as employee bonus (the “***Employee Bonus***”), which shall be distributed in accordance with the incentive programme approved pursuant to Article 9 and may be distributed to employees of the Company and/or the employees of its Subsidiaries and (ii) a maximum of 2% additional Directors’ remunerations. Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years, the Company shall set aside the amount of such accumulated losses prior to the allocation of the Employee Bonus and the above additional Directors’ remunerations. Subject always to the laws of the Cayman Islands, the Employee Bonus may be distributed in the form of cash and/or shares, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. For the avoidance of doubt, for the purpose of calculation of the above Employee Bonus and the additional Directors’ remunerations, such “annual profits before tax” shall be without giving effect of the deduction and distribution of such Employee Bonus and the additional Directors’ remunerations. The resolutions of Board of Directors regarding the distribution of the Employee Bonus in the preceding sentence shall be reported to the Members at the general meeting after such Board resolutions are passed. Subject to the Statute and this Article and except as otherwise provided by the rights attached to any Shares, the Company may declare dividends following the Board’s recommendation in a distribution plan approved by the Board, with the sanction of Supermajority Resolution in the case of Article 24(e)(i), resolve to pay Dividends and other distributions on Shares in issue and authorise payment of the Dividends or other distributions out of the funds of the Company lawfully available therefor. The Board shall provide the distribution plan according to the following requirements: If there are profits after the final settlement of account of a year (the “Annual Profits”), the Company (i) after its losses have been offset and at the time of allocating surplus profits, may first set aside 10% of the Annual Profits as statutory reserve until the statutory reserve amounts to the

authorized capital, and (ii) may appropriate a portion of the Annual Profits as special reserve required by Applicable Public Company Rules or government authorities. Thereafter, having considered the financial, business and operational factors, the Board may propose and specify no less than 10% of any remaining of Annual Profits after the above (i) to (ii) plus, at the Board's sole discretion, a certain percent of accumulated retained earnings to be distributed as dividends by cash or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro rata to the Members or any combination of both, or bonuses according to the Statute and Applicable Public Company Rules, among them, cash dividend shall not less than 10% of the total Dividend declared. The Company may distribute to the Members, in the form of cash, all or a portion of its Dividend and/or statutory reserve by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, and shall subsequently report such distribution to the Members at the general meeting.

113-1 At the close of each of the half fiscal year, the Board may resolve to distribute profits or allocate losses; provided, however, that any distribution of profits by way of capitalization of distributable dividends shall be subject to the Supermajority Resolution. The foregoing proposal, together with the business report and the financial statements, which shall be audited or reviewed by the certified public accountant, shall be submitted to the Audit Committee for audit first and afterwards be submitted to the Board for approval. In the case of profits distribution under this Article 113-1, the Company shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the statutory reserve to be set aside; provided, however, that if the statutory reserve has amounted to the total paid-in capitals, this requirement does not apply.

114. The Directors may, before resolving to pay any dividends, or distributions set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

115. No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized or out of the share premium account or as otherwise permitted by the Statute.

116. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company for any reason.

117. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

118. Any dividend, interest or other monies payable in cash in respect of shares may be paid by check or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such check or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.

119. No dividend shall bear interest against the Company.

### **REPURCHASE**

120. Subject to the provisions of the Statute, the Company may purchase its own Shares (including any redeemable Shares).

In such manner as is referred to in Section 37(3)(d) of the Statute or any modification or re-enactment thereof for the time being in force, this Article authorises the purchase by the Company in accordance with the provisions of the Statute of such of its own Shares (including any redeemable Shares) as the Directors may from time to time determine and agree with the holder or holders of such Shares, in such manner and on such terms as the Directors may from time to time determine and agree, provided that the price at which such purchase is transacted must be equal to the lower of: (i) the original purchase price paid for the shares; or (ii) the fair market value of the shares at the time of the repurchase by the Company, as determined in good faith by the Directors.

The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

120-1. Subject to the provisions of the Statute, these Articles and the Applicable Public Company Rules, 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). In the event that the Company proposes to purchase any Share listed on the TPEX pursuant to this Article, the approval of the Board and the implementation thereof should be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the proposal to purchase its Shares listed on the TPEX for any reason.

120-2 The Directors may, prior to the purchase or redemption of any Share under Article 120-1, determine that such Shares shall be held as Treasury Shares. Subject to the provision of the Statute and these Articles, the Directors may determine to cancel a Treasury Share or transfer a Treasury Share to the employees on such terms as they think proper (including, without limitation, for nil consideration).

120-3 Any proposal to transfer Treasury Shares to any employee of the Company and its Subsidiaries by the Company at a price below the average repurchase price paid by the Company shall be approved by a resolution passed by two-thirds or more of the Members present at the general meeting who represent a majority of the total outstanding Shares at the most recent general meeting. The notice of the general meeting shall specify the following matters, which may not be made by an ad hoc motion:

(a) the basis and reasonableness of the determined transfer price, discount ratio and calculation;

(b) the number, purpose and reasonableness of the share transfer;

(c) conditions for and volume of share to be purchased by relevant employees; and

(d) any effect on the shareholders' rights, including:

(i) the amount which may be recorded as expenses and any dilution on earnings per Share; and

(ii) any financial burden on the Company caused by such transfer of Treasury Shares to relevant employees at a price lower than the average repurchase price paid by the Company.

The aggregate number of Treasury Shares that may be transferred to relevant employees as approved by the Members at various general meetings shall not exceed five (5) percent of the total outstanding Shares, and the aggregate number of Treasury Shares that may be purchased by each employee shall not exceed 0.5 percent of the total outstanding Shares. The Company may impose restrictions on the transfer of such Shares by the employees for a period of no more than two (2) years.

120-4. The Company may repurchase the Restricted Shares issued to the employees if the vesting conditions are not met pursuant to the plan of Restricted Shares.

### **CAPITALIZATION**

121. Subject to the Statute, the Board may, with the authority of a Supermajority Resolution, at any time capitalize any sum standing to the credit of any of the Company's reserve accounts (including statutory reserve, Capital Reserve, and capital redemption reserve fund) or any sum standing to the credit or profit and loan amount or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares (not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorize any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members and the Company.

### **BOOKS OF ACCOUNT**

122. The Board shall cause proper books of account to be kept with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes places;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

### **AUDIT COMMITTEE**

123. The Company shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). 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 Audit Committee members shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A valid resolution of the Audit Committee requires the consent of one-half or more of all its members. Except for otherwise provided for in the Statute to the contrary, the rules and procedures of meeting of the Audit Committee shall be in accordance with these Articles and the Applicable Public Company Rules.

124. 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-type securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matters above 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 Board meeting.

124-1 Before any meeting of the Board where a resolution of merger/consolidation and acquisition is put to the vote, the Audit Committee shall review the fairness and reasonableness of the plan and transaction of such merger/consolidation or acquisition, and then report the resolution of its review to the Board and, if the resolution of Members is required under the Statute and/or any other Cayman Islands laws, to the general meeting. The Audit Committee shall engage the independent expert and get the opinion from the independent expert on the fairness of the share exchange ratio and/or the amount of the cash and/or other assets to be distributed to the Members. The Audit Committee's resolution and the independent expert's fairness opinion shall be sent to the Members together with the notice of general meeting, or, if the resolution of the Members is not required under the Cayman Islands laws, shall be reported to the Members in the next following general meeting. If the Company posts the Audit Committee's resolution and the independent expert's fairness opinion on the website designated by FSC and make the resolution and fairness opinion available to the Members at the venue of the general meeting, those documents

shall be deemed as having been sent to the Members.

### **NOTICES**

125. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex, telecopy or electronic mail to him or to his address as shown in the register of Members or such other address given for such purpose.

126. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of sixty (60) hours after the letter containing the same is posted as aforesaid. Where a notice is sent by cable, telex, telecopy or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization and to have been effected on the day the same is sent as aforesaid.

127. A notice may be given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the register of Members in respect of the share.

128. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

129. Notice of every general meeting shall be given in any manner hereinbefore authorized to:

(a) every person shown as a Member in the Register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where



the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting.

### **WINDING UP**

130. If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

131. If the Company shall be wound up the liquidator may, subject to the rights attached to any Shares and with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in proportion to the number of the Shares held by them in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

### **INDEMNITY**

132. Every Director and officer of the Company, together with every former Director and former officer of the Company (each an “**Indemnified Person**”) shall be indemnified to the extent permitted by Applicable Laws and held harmless by the Company against all claims, actions, proceedings, costs, charges, expenses (including but not limited to legal expense), losses, damages, or liabilities incurred or sustained by such Indemnified Person, whatsoever which they or any of them may incur as a result of any act or omission to act in carrying out their function except to the extent that such claims, actions, proceedings, costs, charges, expenses (including but not limited to legal expense), losses, damages, or liabilities are found in a judgment by a court of competent jurisdiction that is final and non-appealable to have

resulted from such Indemnified Person's own willful default or actual fraud. The Company is allowed to enter into indemnification contract or contract of similar nature with the aforementioned Indemnified Person and to purchase and to maintain insurance for the benefit of such Indemnified Person against any liability which, by virtue of any rule of law, would otherwise attach to such Indemnified Person in respect to of any negligence, default, breach of duty or breach of trust of which such Indemnified Person may be guilty in relation to the Company. Notwithstanding anything provided herein, no such Indemnified Person shall be answerable for the acts, receipts, neglects or defaults of any other Indemnified Person or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office except the same shall happen through the willful default or actual fraud of such Indemnified Person.

#### **FISCAL YEAR**

133. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31 in each year.

#### **AMENDMENTS OF ARTICLES**

134. Subject to the Statute, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

#### **TRANSFER BY WAY OF CONTINUATION**

135. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

## **Rules for Election of Directors**

[Adopted by Ordinary Resolution passed on October 28, 2010]

### **Article 1**

Unless otherwise provided in relevant laws and regulations or the Memorandum and Articles of Association of this Company, the directors of this Company shall be elected in accordance with this “Rules for Election of Directors” (hereinafter, the “Rules”). Except as otherwise expressly defined herein, all capitalization terms used herein shall have the meanings ascribed thereto in the Company’s Articles of Association.

### **Article 2**

Election of directors of this Company shall be held at the General Meeting. This Company shall prepare ballots and note the number of votes.

### **Article 3**

In the election of directors of this Company, the names of voters may be represented by shareholders’ numbers.

### **Article 4**

Unless otherwise permitted under the Applicable Public Company Rules and the Articles of Association of the Company, there shall be at least three (3) Independent Directors, provided, however, that the total number of Independent Directors shall not be less than one-fifth (1/5) of the total number of the Directors.

### **Article 5**

In the election of directors of this Company, the number of votes exercisable in respect of one Share shall be the same as the number of Directors to be elected, and the total number of votes exercisable per Share may be consolidated for election of one candidate or may be split for election of two or more candidates. The election of Independent Directors and non-Independent Directors shall be held in the same election; provided, however, that the respective votes shall be separately casted and calculated to determine the elected Independent Directors and non-Independent Directors.

### **Article 6**

In the election of directors of this Company, the candidates to whom the ballots cast represent a prevailing number of votes shall be elected based on the result of the election as Independent Directors or non-Independent Directors, respectively in descending order. If two or more candidates receive an equal number of votes and the number of such candidates exceeds the specified seats available, such candidates shall draw lots to decide who should be elected. Where any such candidate is not present, the Chairman shall draw lots on behalf of such candidate.

### **Article 7**

At the beginning of the election, the Chairman shall appoint several persons each to supervise the election and to count the ballots. The persons to supervise the election may be appointed from among the Member present.

**Article 8**

The ballot box used for voting shall be prepared by this Company and inspected in public by the person to supervise the election before voting.

**Article 9**

If the candidate is a Member, voters shall fill in the "candidate" column on the ballot the candidate's name and such candidate's member's number (if applicable), and the number of votes cast for such candidate. If the candidate is not a Member, voters shall fill in the "candidate" column on the ballot the candidate's name, the candidate's ID number, and the number of votes cast for such candidate.

**Article 10**

Ballots shall be null and void upon occurrence of any one of the following conditions:

- (1) Ballots which are not prepared by this Company;
- (2) Ballots which are blank or incomplete;
- (3) Where the candidate is a Member, the name or shareholder's number of such candidate filled in the ballot being inconsistent with the Register of Members; where the candidate is not a Member, the name or ID number of the candidate filled in the ballot being incorrect;
- (4) Ballots with other written characters or symbols in addition to candidate's name, member's number (if applicable) (or ID number) and the number of votes cast for the candidate;
- (5) Scribbled and unidentifiable writing or writing which has been altered;
- (6) Any of the candidate's name, member's number (if applicable) (or ID number) or the number of votes cast for such candidate being erased or changed; or
- (7) The name of the candidates filled in the ballots being the same as another candidate's name and the respective member's numbers (ID numbers) not being indicated to distinguish the.

**Article 11**

The ballots should be counted during the meeting right after the completion of vote casting and the results of the election should be announced by the Chairman at the meeting.

**Article 12**

These Rules and any revision thereof shall be approved by the Board of Directors and be further the approved by Ordinary Resolution at General Meeting. These Rules shall take effect upon the effective date of [Fifth] Amended and Restated Articles of Association.

**APPENDIX IV**

**SHAREHOLDINGS OF ALL DIRECTORS**

**Record Date: 4/13/2025**

Title	Name	Date Elected	Shareholding When Elected			Current Shareholding			Note
			Category	Shares	%	Category	Shares	%	
Chairman	Ji Zhao	2022.06.15	Common Shares	2,074,430	2.55%	Common Shares	1,805,680	2.22%	1. Shareholding When Elected is inclusive of shares in trust account of 704,972 shares 2. Current Shareholding is inclusive of shares in trust account of 704,972 shares
Vice Chairman	Ming Qu	2022.06.15	Common Shares	2,023,735	2.49%	Common Shares	1,780,985	2.19%	
Director	Jackie Yang	2022.06.15	Common Shares	153,155	0.19%	Common Shares	171,155	0.21%	
Director	Darren Huang	2022.06.15	Common Shares	238,007	0.29%	Common Shares	347,007	0.43%	
Independent Director	Dennis Lynn Segers	2022.06.15	Common Shares	54,004	0.07%	Common Shares	54,004	0.07%	
Independent Director	Jin-Lin (Norman) Shen	2022.06.15	Common Shares	0	0.00%	Common Shares	0	0.00%	
Independent Director	Huei-Chu (Laura) Huang	2022.06.15	Common Shares	0	0.00%	Common Shares	0	0.00%	
Total				4,543,331			4,158,831		

Common shares issued:

(1) 81,189,538 shares as of June 15, 2022

(2) 81,159,963 shares as of April 13, 2025

Explanatory Note: 1. As of April 13, 2025, the total shareholdings of all Directors are 4,104,827 shares.

2. The Company is foreign company, so limitations on Directors' and supervisors' holdings are not applicable.

3. Independent Directors' holdings are excluded from total shareholdings.